



**SEAN A. MATTHEWS**  
STATE REPRESENTATIVE  
10<sup>th</sup> District

**HOUSE OF REPRESENTATIVES  
STATE OF DELAWARE  
411 LEGISLATIVE AVENUE  
DOVER, DELAWARE 19901**

**COMMITTEES**  
Transportation, Land Use & Infrastructure, Chair  
Technology & Telecommunications, Vice-Chair  
Education  
Gaming & Pari-Mutuels  
Labor

**House Transportation Committee Meeting Minutes**

6.16.21

Chair Matthews called the virtual meeting to order at 1:00 p.m. He stated that the meeting was planned in accordance with HCR 1 and took a roll call of the committee members. Members present included Vice Chair Osienski and Reps. Dorsey Walker, Baumbach, Briggs King, Collins, and Morris. Secretary Nicole Majeski from the Delaware Department of Transportation (DELDOT) was also present. For a list of guests present, please see the attendance list below.

Chair Matthews called on Rep. Osienski to introduce **HB 223, AN ACT TO AMEND TITLES 21 AND 25 OF THE DELAWARE CODE RELATING TO POSSESSORY AND OTHER CERTAIN LIENS ON MOTOR VEHICLES**. Rep. Osienski stated that this bill comes from the American Automobile Association (AAA). Rep. Osienski explained that the bill clarifies when a motor vehicle is subject to a possessory lien, either through towing or because of failure to make payment for services rendered to the motor vehicle, the lien does not extend to personal property located in the vehicle, and such property shall be returned to the owner. Rep. Osienski added that this bill clarifies that personal belonging are not to be used to settle a lien when it is placed on one's vehicle.

With permission from the chair, Ken Grant from AAA Mid-Atlantic explained that this bill was triggered by a couple's experience in Claymont who were not allowed access to their personal records inside of their vehicle that was subject to a \$2,400 towing and storage fee. The couple's issue was resolved weeks later after the involvement of several state agencies and AAA. Mr. Grant stated that Delaware needs to update its Code to define the property right of vehicle owners to protect them from predatory towing practices. He added that since discussing this bill AAA has heard from several advocates such as those from the homeless population and more. Mr. Grant stated that this bill follows similar state models regarding personal property such as in Virginia.

Chair Matthews opened the meeting for public comment. Seeing none, he requested a motion.

A motion was made by Rep. Collins and seconded by Rep. Briggs King to release HB 223 from committee; motion carried. Chair Matthews began the roll call to release HB 223. Yes= 7 (Matthews, Osienski, Dorsey Walker, Baumbach, Briggs King, Collins, and Morris); No=0; Absent= 3 (Brady, Carson, and Bush). The bill was released from committee with a F=2, M=5, U=0 vote.

Chair Matthews introduced **HCR 29, ESTABLISHING THE SUBDIVISION STREET FUNDING TASK FORCE**. Chair Matthews stated that this bill creates a subdivision taskforce in order to respond to the needs concluded in a report stemming from HCR 4. Chair Matthews explained that with the passage of this concurrent resolution, the Task Force will be able to meet in a bipartisan manner to determine funding.

Rep. Collins stated his support for the bill.

Chair Matthews opened the meeting for public comment.

Kyle Hodges, Policy Director of the State Council for Persons with Disabilities, expressed his support for the bill. Mr. Hodges recommended that a person with knowledge of the Americans with Disabilities Act (ADA) be appointed to the Task Force in order to make sure that subdivision streets are ADA compliant. Mr. Hodges added that this position should be included in the list of people on the taskforce through an amendment of HCR 29.

Chair Matthews responded that he is not looking to amend the bill, however, he will seek to have the proper personnel on subcommittees to address the concerns stated by Mr. Hodges.

A motion was made by Rep. Osienski and seconded by Rep. Dorsey Walker to release HCR 29 from committee; motion carried. Chair Matthews began the roll call to release HCR 29. Yes= 7 (Matthews, Osienski, Dorsey Walker, Baumbach, Briggs King, Collins, and Morris); No=0; Absent= 3 (Brady, Carson, and Bush). The bill was released from committee with a F=1, M=6, U=0 vote.

Chair Matthews called on Rep. Osienski to introduce **HB 232, AN ACT TO AMEND TITLE 2 OF THE DELAWARE CODE RELATING TO AERONAUTICS**. Rep. Osienski stated that this legislation came from the Delaware Aviation Advisory Council on which DELDOT has a seat. Rep. Osienski explained that this bill requires certain registered aircraft owners to pay an annual fee with the exception of those registered at an airport in Delaware. DELDOT will oversee the collection of these fees that will be deposited in the Transportation Trust Fund. He added that the fiscal impact of this bill will be an increase in revenue from collected fees of the following aircraft: \$25 fee for single engine aircraft, \$50 fee for multi engine or turbo prop aircraft, \$100 fee for jet aircraft, \$50 for helicopters, and \$10 for federal aircraft. The following aircrafts will not be charged; hot air balloons, public aircraft, unmanned aircraft under 50 lbs., and unpowered gliders. Rep. Osienski stated that Delaware needs a consistent funding level to support its public airports. He explained that this revenue would go into the Transportation Trust Fund and dedicated for aviation needs. Rep. Osienski explained that DELDOT will be required to submit an annual report that describes the collection and usage of these funds.

Chair Matthews expressed his support for the bill and asked Rep. Osienski if they were able to work with the Delaware State Bar Association's Corporate Law Section to address concerns about the bill.

Rep. Osienski stated that they have worked with the Delaware State Bar Association's Corporate Law Section to some extent as the original fee was set at \$250. He added that they have spoken to and continue to work with the Secretary of State to gain complete support.

Rep. Collins asked if the bill applied to airplanes owned by Delawareans that do not have their planes housed in the state.

Rep. Osienski responded that this bill only applies to those who do not have their aircraft registered in Delaware. He stated that the fee does not apply to Delawareans with planes in Delaware since they are providing jobs and other benefits to the state.

Rep. Collins stated that Delaware's corporate franchise taxes are based on S&P 500 companies

who do not do businesses in Delaware but are incorporated in the State. Rep. Collins explained that this relationship incentivizes companies to franchise in Delaware for certain benefits. He asked what kinds of benefits aircraft owners will gain from the added fee.

Rep. Collins responded that he was not sure what the benefit was, however, corporations that are not based in Delaware do pay other fees that fund states programs and services. Rep. Osienski stated that this bill would be similar to these types of fees. He added that he did not believe that these fees are detrimental and would provide local airports with extra financial support.

Rep. Collins explained that members of the committee received a letter from an attorney stating that Delaware's aircraft trusts are in direct competition with other states and an added fee would attract business to other states. Rep. Collins added that Delaware could lose close to \$1 million in taxable revenue.

With permission from the chair, Secretary Nicole Majeski from DELDOT responded that the fees in the bill are nominal in relation to a multi-million-dollar aircraft. She added that while the concerns are respected, Delaware also offers other benefits that would attract companies.

Rep. Collins reiterated his concern that the bill could drive business out of the state. He asked for additional information regarding other states fees.

Rep. Osienski recommitted to reaching out to the Secretary of State to address the content of the letter received by the committee.

Rep. Briggs King echoed the concerns of Rep. Collins. Rep. Briggs King added that she has worked and supported similar legislation before not understanding the potential ramifications on large incorporations. She expressed her concerns that new companies may be deterred by this fee. Rep. Briggs King stated that the loss of potential revenue well exceeds other taxes and requested additional expert testimony that could shed light on the committees' concerns.

With permission from the chair, Henry Chinski from the Delaware Aviation Advisory Council (DAAC) stated that this bill comes from the need to improve Delaware's aviation infrastructure to attract business to the state. Mr. Chinski explained that he is in contact with two German companies looking to come to the United States whom he is trying to convince to base in Delaware. Mr. Chinski stated that he read the letter from the Wilmington Trustees and compared its content to a worst-case scenario, explaining that Utah, Connecticut, and South Dakota are in competition with Delaware and only one of the aforementioned states has a lower rate than Delaware. Mr. Chinski explained that the bill seeks to have a fee that is lower than any other state while also exempting anyone housing in Delaware.

Rep. Osienski asked for the fees that other states have surrounding this issue.

Mr. Chinski responded that he did have that data and would send it to Rep. Osienski.

Rep. Collins asked Mr. Chinski who was the author of the letter he referenced.

Mr. Chinski responded that the letter was from the Wilmington Trust Trustees who hold many of the leases on the larger aircrafts.

Rep. Collins and Mr. Chinski clarified that the letter they both referenced were the same.

Rep. Collins stated his concern for the speed of which this bill was moving through committee. He asked Rep. Osienski if he would consider tabling this bill.

Rep. Osienski asked the committee to release this bill, however he would not be pushing leadership to have this bill added to the house agenda by June 30<sup>th</sup>. He expects this bill to be on the floor in January of next year and until then would be in contact with the Secretary of State.

Rep. Dorsey Walker expressed support for this bill and urged the committee to release it today.

Chair Matthews opened the meeting for public comment.

Marc Cote, a member of DELDOT, presented data comparing the states in competition with Delaware. Mr. Cote explained that Connecticut charges \$2500 per year for their aircraft registration. He stated that the comparison over 20 years would amount to \$50,000 in Delaware for the 25 planes in Delaware compared to \$2.6 million in Connecticut. Mr. Cote explained that in Utah the registration fee is .4 percent of the value of the aircraft, amounting to \$12,000 for a \$3 million dollar airplane. He added that in South Dakota the registration fee varies but hovers around \$300 per year.

Lewis Ledyard, a partner at Morris James LLP, expressed opposition for the bill and questioned the accuracy of the other state's fees. Mr. Ledyard questioned whether the fees discussed are related to aircraft registered with the Federal Aviation Administration (FAA) with an owner in that state or with aircraft not in the state. Mr. Ledyard requested that DELDOT confirm that the fees imposed by other states are like the ones in Delaware and explained that he has negotiated these sort of deals for 24 years and has lost deals for much less than a \$50,000 difference. Mr. Ledyard stated that this bill would bring huge disadvantage to a business that employs many, impacts the state's reputation, and raises significant taxes for the state and fees for the secretary of state.

Chris Sponenberg, on behalf of Wilmington Trust, expressed opposition for the bill. Mr. Sponenberg explained that Wilmington Trust has been in aircraft financing for over 45 years, and the company believes that this fee will have a negative effect on banks, trust companies, law firms and service providers in the state. Mr. Sponenberg questioned the numbers presented before the committee and its context and recommended the bill be pulled or tabled.

Tom Collins with the Delaware Bankers Association echoed the concerns of Reps. Collins and Briggs King. Mr. Collins stated his worries this bill may have on the reputation of the state and the adverse impact added fees may have on the corporate trust business. Mr. Collins requested the committee to table this bill.

Chair Matthews asked Rep. Osienski the anticipated revenue from this bill.

Rep. Osienski stated that an estimated \$400,000 would be generated from these fees annually.

Chair Matthews stated that he would vote the bill out of committee but asked that further consideration be made into actions that would not impact Delaware's corporate franchise in a

detrimental way.

A motion was made by Rep. Collins and seconded by Rep. Briggs King to table HB 232 from committee; motion failed. Yes= 3 (Briggs King, Collins, and Morris); No=4 (Matthews, Osienski, Dorsey Walker, and Baumbach); Absent= 3 (Brady, Carson, and Bush).

Chair Matthews stated his belief that Rep. Osienski will use the next 6 months to continue conversation and alter the bill as needed to address the concerns expressed by committee members and the public today.

Rep. Briggs Kings addressed Marc Cote and asked if the numbers provided in the meeting today are the same as being discussed in this bill. She added that registration fees on the federal level and for corporations are different and that it is important to understand states fees based on the same concept.

Rep. Morris stated that even though he voted to table the bill, he respects the efforts of the sponsor to hold the bill until January and further research and discussion on it.

Rep. Baumbach stated his confidence in Rep. Osienski and the Secretary of State and believes they will reach a conclusion that benefits Delaware.

Rep. Collins stated that he respects the efforts of Rep. Osienski and will be voting the bill out of committee.

With the understanding that this bill will not be run this year and will be worked on in the next 6 months, Chair Matthews requested a motion to release.

A motion was made by Rep. Matthews and seconded by Rep. Baumbach to release HCR 232 from committee; motion carried. Chair Matthews began the roll call to release HCR 232. Yes= 7 (Matthews, Osienski, Dorsey Walker, Baumbach, Briggs King, Collins, and Morris); No=0; Absent= 3 (Brady, Carson, and Bush). The bill was released from committee with a F=1, M=5, U=1 vote.

Chair Matthews called on Rep. Osienski to introduce **SJR 5, CREATING A TOLL VIOLATION AMNESTY PROGRAM**. Rep Osienski stated that this bill creates the one-time toll violation amnesty program within DELDOT. Rep. Osienski stated that the program will provide people the opportunity to satisfy toll debt from the I-95 and State Route 1 tolls. He explained that there is approximately \$143 million in toll debt from unpaid tolls, penalties, and fees. Under state law, each toll violation results in an administrative fee of \$25, a civil penalty of \$25, a \$10 fee for violations occurring after January 1<sup>st</sup>, 2017 placed into the voluntary ambulance company fund, and a \$15 fee from the fund to combat violent crimes. Rep. Osienski stated that the amnesty program will last 3-months for anyone who has an outstanding toll violation and will receive notification by mail of this act. He added that there is an amnesty fee in which 12 percent will go towards the fund to combat violent crimes and 17 percent will go to the Voluntary Ambulance Company Fund.

Chair Matthews stated his support for the bill and asked Rep. Osienski to speak more on the recovery rate from the unpaid tolls.

Secretary Majeski stated that Delaware does about \$70 million toll transactions a year and about 1 percent of them end up in violations. Secretary Majeski explained that a onetime toll violation can amount to \$51 dollars and that those who have several violations have a significant amount of debt. With this bill, a person would be able to pay the tolls owed and a onetime amnesty fee. Secretary Majeski stated that the collection agency in charge of outstanding fees recoup about 8.4 percent of the \$143 million in debt. She added that DELDOT looked to other states amnesty programs and believes this is a great way to get people to clear their toll violation fees. Secretary Majeski stated there is a cost associated with this bill related to notification costs.

Rep. Briggs King posited that some of the money being collected from this bill could be used to fund the aviation program. She added that perspective may need to change in order to not challenge our corporate entities.

Chair Matthews asked Secretary Majeski what effort is being taken to prevent toll violations in the future.

Secretary Majeski stated that the diversity of toll violators makes it so they will always occur. She added that DELDOT is working with individuals who run into unforeseen circumstances.

Rep. Collins referenced his experience with running into toll roads without a toll pass on hand. He stated that these situations are easy to encounter and added that a 1 percent noncompliance rate was remarkable.

Chair Matthews opened the meeting for public comment. Seeing none he requested a motion.

A motion was made by Rep. Dorsey Walker and seconded by Rep. Briggs King to release SJR 5 from committee; motion carried. Chair Matthews began the roll call to release SJR 5. Yes= 7 (Matthews, Osienski, Dorsey Walker, Baumbach, Briggs King, Collins, and Morris); No=0; Absent= 3 (Brady, Carson, and Bush). The bill was released from committee with a F=2, M=5, U=0 vote.

Chair Matthews adjourned the meeting at 2:01 p.m.

Respectfully submitted by:

Valeria Coverdale

Attendance List:

Verity Watson

Aimee String, DELDOT

Tom Collins, Delaware Bankers Association

Nicholas Adams, Wilmington Trust

Brittany Davies, National Business Aviation Association

Henry Chinski, DAAC

Josh Thomas, DELDOT  
Kyle Hodges, SCPD  
Jonathan Patterson  
Marc Cote, DELDOT  
Julie Fedele, CGO  
Nicole Freedman  
Ken Grant, AAA Mid-Atlantic  
Nicole Majeski, DELDOT  
Meaghan Barna, DELDOT  
Christine Schiltz, Parkowski, Guerke & Swayze  
Dylan Tepper  
Lewis Ledyard, Morris James LLP  
Jon Osborne, DELDOT  
W. Chris Sponenberg, Wilmington Trust  
Amy Anthony, DMV  
Chris Haas, Delaware Department of Insurance  
Tracy Maguire, DELDOT  
Carrie Cole

2517 Justin Lane, Wilmington,  
Delaware 19810  
Weekdays: (302) 577-8480 Nights /  
Weekends: (302) 331-1020  
[Sean.Matthews@delaware.gov](mailto:Sean.Matthews@delaware.gov)

# 6.16.21 House Transportation Meeting

## Public Comment

### HB 223 (Sponsor: Osienski)

*1. Submitted by Sarah Rhine / June 15, 2021, at 10:03 a.m.*

June 16, 2021



Delaware General Assembly  
House Transportation and Land Use and Infrastructure Committee  
411 Legislative Ave.  
Dover DE 19901

**Re: Support of House Bill 233: An Act to Amend Titles 21 and 24 of the Delaware Code Relating to Possessory and Other Certain Liens on Motor Vehicles**

Dear House Transportation and Land Use and Infrastructure Committee Members:

Housing Alliance Delaware supports House Bill 223 which provides that personal property in a vehicle can be recovered by proper action.

Housing Alliance Delaware is a statewide nonprofit whose mission is to serve Delawareans by advancing housing opportunities, ending homelessness, and promoting vibrant communities.

Housing Alliance Delaware gathers data to report on housing and homelessness. The 2021 Point In Time Count—a count of unsheltered individuals in Delaware—shows that Delaware has experienced a large increase in homelessness in the past year. Much of this increase is families with children.

Delaware faces a shortage of 19,915 rental homes for extremely low-income renters. Twenty-five percent of renter households in Delaware, or 27,254 households, are extremely low-income renter households. The COVID-19 pandemic has left many Delawareans without the ability to pay rent. Every extremely-low income renter household may face eviction or housing instability in the next year.

If a family is homeless, all of their possessions may be stored in a motor vehicle. Such property can include medicine, school supplies and personal effects such as government issued identification. Access to this property should not be restricted.

Housing Alliance Delaware urges the House Transportation and Land Use and Infrastructure Committee to vote in support of House Bill 223.

Thank you for your consideration of this important issue.

Sincerely,

/s/ Sarah Rhine

Sarah Spangler Rhine  
*Policy Director*  
Housing Alliance Delaware  
100 W. 10th St.  
Suite 611  
Wilmington DE 19801  
Phone: 443-826-9350  
Email: [srhine@housingalliancedelaware.org](mailto:srhine@housingalliancedelaware.org)