

Information for Commercial Use of Drones in Minnesota

In the United States, the Federal Aviation Administration regulates use of the airspace. The State of Minnesota has additional limitations on the use of aircraft, found in chapter 360 of the Minnesota Statutes. MnDOT is the state agency charged with collecting aircraft taxes and enforcing regulations. In summary, as a commercial operator of a drone you are required by state law to:

- Register your aircraft with MnDOT (MN Statute 360.59)
- Obtain a Commercial Operations License from MnDOT (MN Statute 360.018)

Registering your aircraft

Aircraft registration requires paying appropriate taxes and obtaining appropriate insurance. The registration form can be obtained from the MnDOT Aeronautics website (see page footer). Register your drone with Minnesota after registering with the FAA, you will need your F- or N- number to fill out the form.

Taxes

All aircraft in Minnesota are subject to a use tax, set by the state legislature. Most small drones will be subject to the minimum tax of \$100 per year. Aircraft registration expires at the end of the state fiscal year, which ends on June 30th. The use tax is prorated: if you register an aircraft with 180 days remaining in the fiscal year, MnDOT will collect \$50 in use taxes.

Aircraft in Minnesota are also subject to sales tax. When you first register your drone, MnDOT will compute and collect sales tax unless you provide proof that sales tax was already collected.

Sales and Use taxes are deposited into the State Airports Fund. This fund may only be used in support of aviation and aviation infrastructure in Minnesota. Drone pilots use the aviation infrastructure, particularly automated weather stations.

Insurance

The insurance minimums are set by the state legislature. Presently, a drone operator is required to have liability insurance up to \$100k per person and \$300k per accident.

You will be required to provide a certificate of insurance which provides MnDOT Aeronautics with 10 days prior notice of policy cancellation. MnDOT is required to cancel your aircraft registration if we receive notice that your insurance is being cancelled. On-demand insurance can not be accepted for the purposes of aircraft registration.

Commercial Operations License

Most commercial drone operators will require a commercial operations license. The license cost is \$30 per year and is valid for one year from the date of issuance. The application form can be obtained from the MnDOT Aeronautics website (see page footer).

You will need to provide contact information, company ownership and management information, a copy of your insurance certificate, a list of all aircraft being used by your company, and the names of your Remote Pilots with their certificate numbers.

There are some instances where a business which uses a drone in support of internal processes only does not require a commercial operations license. For example, a power company using a drone to inspect its own transmission lines would not require a license. However, if the same company used their drone to inspect a pipeline for another company, a license would be required. For a determination of your business case, contact MnDOT's UAS Program Administrator. Note that aircraft registration is always required.

Local Drone Ordinances in Minnesota

Some communities in Minnesota have enacted ordinances which may affect the operation of drones. MnDOT Aeronautics posts links to local ordinances on our webpage when we are made aware of them. If your community has an ordinance and it is not listed, please contact us.

MnDOT takes no position on the validity of any local ordinance. The list we maintain is not exhaustive. It is always the drone operator's responsibility to comply with federal, state, and local law.