

**To: The Honorable Chair, Vice-Chairs, and Members of the Joint Committee on Transportation**

**Re: Opposition to HB 3479 – Scheduled for Public Hearing on March 24, 2025**

I respectfully submit the following testimony in opposition to House Bill 3479, which proposes mandatory liability insurance for commercial drone operators in Oregon, along with a 5% tax on insurance premiums to fund an advanced air mobility program.

**1. Federal Preemption & Overreach**

The Federal Aviation Administration (FAA) has exclusive authority over the national airspace, including regulation of unmanned aircraft systems (UAS). This bill imposes a state-level insurance requirement and tax structure that encroaches on federally preempted airspace policy. Regulation of drone operation standards, safety, and air navigation is a matter for federal—not state—oversight.

**2. Unequal Treatment & Business Impact**

The bill exempts public entities from this insurance mandate while burdening private operators and small businesses with a new requirement and cost structure. This creates an unequal regulatory environment, effectively giving government operators a competitive advantage and discouraging innovation and entrepreneurship in Oregon’s growing drone industry.

**3. Embedded Tax for a Separate Program**

The 5% insurance tax is a revenue mechanism cloaked in a safety mandate. Funding an “advanced air mobility program” should be debated transparently and separately from insurance regulation. Embedding this tax within a licensing requirement for drone operators sets a concerning precedent for future policy design.

**4. Vague Enforcement & Civil Penalties**

HB 3479 grants the Oregon Department of Aviation the authority to impose civil penalties up to \$1,000 per violation, but offers no clear guidance on enforcement mechanisms, appeals process, or due process protections. This raises concerns about the potential for arbitrary or disproportionate enforcement actions.

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**Conclusion**

I urge the committee to oppose HB 3479. While the intent to promote responsibility in drone operations is understandable, this bill expands state authority in a federally governed area, imposes new costs on private operators, and lacks proper safeguards. It is not the right approach.

Respectfully submitted,  
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