

## **AERONAUTICS COMMISSION REPORT FOR 2017**

50-2-4. Report to Governor. On or before the thirty-first day of December, in each year, the commission shall make, to the Governor, a full report of its proceedings for the year ending the thirtieth day of June preceding and may submit with the report any recommendations pertaining to the commission's affairs as seem to the commission to be desirable.

1. Commission members and terms (all expire on October 30)

Eric Odenbach, Chairman, Eureka, term expires 2018  
Arnie Hauge, Vice-Chairman, Sioux Falls, term expires 2019  
Dave Luers, Pierre, term expires 2019  
Christopher Funk, Volga, term expires 2018  
Travis Lantis, Spearfish, term expires 2019  
Dan Noteboom, Corsica, term expires 2018  
Bob Huggins, Sioux Falls, term expires 2019

2. Staffing of the Office of Aeronautics (no vacancies at this time)

Program Manager and secretary (1/3 each to aeronautics), two engineers, a project technician and a program assistant.

3. Number of airports

There are currently 71 public use airports in the State (6 commercial services with the remainder being general aviation).

Commission recently approved the 1<sup>st</sup> ever Seaplane Port in South Dakota. It is located at Lake Cochrane and offers amenities such as aviation fuel and a restaurant.

4. Number of registered aircraft over last five years and the registration fees collected in the same time period

- a. Please see Attachment #1. The "Registration Fee" is due yearly based on the size and age of an aircraft. This law is outdated with the average registration being less than \$35, and a relatively large percentage of aircraft registered for \$27.50 per year.
- b. The "Tax Payment" is an original registration tax based on the purchase price of the aircraft. This is 4% on all aircraft except agriculture related which is 3%. The great variation from year to year is caused by the high value of some aircraft. For example, the original registration of just one \$20,000,000 jet would provide \$800,000 in tax.
- c. The number of registered aircraft in South Dakota has consistently increased since 2011.

5. Aviation fuels used in the last five years and the tax received in the same time period

	<u>Gallons of Fuel</u>		<u>Fuel Collections</u>	<u>Tax on Aircraft</u>	<u>Total</u>
	<u>AV Gas</u>	<u>Jet Fuel</u>			
FY2013	1,171,553.00	16,607,131.00	\$737,928	\$1,630,462	\$2,368,391
FY2014	1,016,967.00	14,924,629.00	\$715,358	\$1,019,578	\$1,734,936
FY2015	1,082,901.00	16,447,910.00	\$729,541	\$1,259,876	\$1,989,417
FY2016	1,020,672.00	16,674,895.00	\$722,590	\$470,199	\$1,192,789
FY2017	1,039,205.00	16,543,326.00	\$763,485	\$1,204,234	\$1,967,719

6. Federal funds received per the federal fiscal year (October 1st – September 30th) in the last five years

FY2013-\$31,812,519  
 FY2014-\$19,831,306  
 FY2015-\$20,432,294  
 FY2016-\$38,322,243  
 FY2017-\$29,117,806

7. Please see Attachment #2 for a list of Airport Improvement Program (AIP) projects that the State of South Dakota received in federal fiscal year 2017. Shown is a breakdown of costs based on participation – 90% of eligible costs are federally funded and 5% funded by the state aeronautics trust fund.

8. Aeronautics Trust Fund as of July 1, 2017 had a balance of \$3.9 million. Based on our predictions, if the State continues to participate in AIP projects at a level of 5%, the fund will be depleted to \$280,663 by 2024 (see Attachment #3). At this point we will not have enough funds to assist airport sponsors in future AIP projects. In 2010, the Legislature transferred \$3.5 million from the Aeronautics Trust Fund to help balance the state budget. In 2014, the Legislature returned \$500,000. In order to continue supporting airport projects and aviation related events, the Aeronautics Commission would like to see the remaining \$3 million returned to the Aeronautics Trust Fund.

9. Airport inspections. Each non-commercial airport is inspected by DOT each year, with further compliance inspections conducted as needed. The commercial service airports are inspected by the FAA Certification Inspectors.

10. Status of airport directory and aeronautical chart

- a. The Commission has authorized the development and publication of a South Dakota Airport Directory every three years,. These were distributed in CY 2017 at a total cost of about \$10,200. The Commission also decided to no longer publish the Aeronautical Chart as it is no longer useful to pilots.

- b. DOT sponsors a yearly “Airport’s Conference” usually in the spring to bring together airport managers, airport sponsors which is usually a municipality, engineering consultants which represent the sponsors in construction projects, and the regulators. The conference is used to educate and discuss issues.

#### 11. Issues

The 2017 legislature has made changes to Title 50 in regards to Drones (aka Unmanned Aerial Vehicle ‘UAV’)

Chapter 50-15 was added to define drones and restrictions to their use. A drone has been defined as a powered aerial vehicle that cannot carry a human operator and must comply with the Federal Aviation Administration (FAA) registration requirements. Drones are not allowed to be operated over any correctional or military facilities without express permission from the administrator of that facility. If a drone is used to deliver contraband items to a correctional facility, the owner/controller of that drone will be guilty of a Class 6 felony.

Chapter 50-11-9.1 was added to change drone registration requirements at the State level. Drone owners only need to register with the State of South Dakota if their drone weighs more than 55 pounds.

#### 12. Aviation Education

In 2016, South Dakota State University asked the Aeronautics Commission for financial assistance to build a flight simulator. This simulator would be used to promote aviation to children across the State of South Dakota. The Commission did grant SDSU \$75,000 towards the cost of the flight simulator and at this time, over 1,800 students have flown the simulator at different functions in various locations across the state.

Attachment #1 – Aircraft Registered and Fees Collected

<b>Fee Type</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>Total Collected Per Fee Type</u></b>
<b>Registration Fee</b>	\$52,052	\$54,486	\$52,246	\$53,491	\$52,707	\$264,982
<b>Registration Penalty Fee</b>	\$90	\$20	Repealed in 2014 Session	n/a	n/a	\$110
<b>Tax Payment</b>	\$1,674,973	\$979,159	\$1,246,421	\$839,052	\$1,184,250	\$5,923,855
<b>Tax Penalty Payment</b>	\$10,711	\$4,992	\$2,632	\$401	\$185	\$18,921
<b>Total Collected Per Year</b>	\$1,737,826	\$1,038,657	\$1,301,299	\$892,944	\$1,237,142	\$6,207,868

	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	
<b>Number of Aircraft Registered</b>	1121	1226	1240	1261	1270	
<b>Percentage increase each year</b>	2.19%	9.37%	1.14%	1.69%	0.71%	

## 2017 SD Airport AIP Grants - September 2017

Airport	Project Description	Federal Funds (90%)	State Funds (5%)	Total Funds
<b>Aberdeen - 37</b>	SRE equipment purchase; WHA & WHMP	\$1,215,000	\$67,500	\$1,350,000
<b>Britton 12</b>	Taxilane construction; hangar (obstruction) relocation;	\$463,500	\$25,750	\$515,000
<b>Brookings 29</b>	Construct 17/35 (1700'X60')	\$810,000	\$45,000	\$900,000
<b>Canton 07</b>	Construct wildlife fence; mitigate wetland	\$402,901	\$22,383	\$447,669
<b>Chamberlain 09</b>	Focused master plan	\$220,590	\$12,255	\$245,100
<b>Clark County 11</b>	SRE tractor w/attachments	\$157,500	\$8,750	\$175,000
<b>Custer County 13</b>	Design/construct GA apron; material testing	\$575,000	\$31,944	\$638,889
<b>Eagle Butte 09</b>	Design and enviro documentation for GA apron rehab and expansion	\$72,000	\$4,000	\$80,000
<b>Eureka - 08</b>	Construct hangar taxilane	\$323,100	\$17,950	\$359,000
<b>Faulkton 10</b>	EA for runway 13-31, wetland delineation, WHSV, cultural survey	\$112,500	\$6,250	\$125,000
<b>Gregory 14</b>	Construct apron expansion phase II 100x200';	\$297,000	\$16,500	\$330,000
<b>Huron-35</b>	runway 12/30 shoulder rehab; twy A replacement; remove obst; grade rpz	\$3,521,012	\$195,612	\$3,912,236
<b>Lemmon 13</b>	Design runway and taxiway rehabilitation	\$155,121	\$8,618	\$172,357
<b>Madison-14</b>	Wetland mitigation (29.44 credits)	\$299,700	\$16,650	\$333,000
<b>Madison-15</b>	design south parallel twy (7200 SY) w/MITL	\$68,400	\$3,800	\$76,000
<b>Martin - 12</b>	Construct wildlife fence	\$165,000	\$9,167	\$183,333
<b>Martin - 13</b>	Airport master plan; layout plan, exhibit A and aeronautical Study	\$285,000	\$15,833	\$316,667
<b>Mitchell-27</b>	SRE acquisition to replace 1982 Oshkosh	\$119,700	\$6,650	\$133,000
<b>Mobridge 11</b>	Design runway 12/30, MIRL, PAPI and connector reconstruction; turnarounds; RSA grading; SRE equipment; land acq for RPZs	\$337,509	\$18,751	\$375,011
<b>Parkston 12</b>	Land acq for RPZ and design for hangar area expansion (11 acres)	\$144,000	\$8,000	\$160,000
<b>Pierre 38</b>	Jet bridge; design GA txwy including ag ops, utility corridor & drainage	\$800,000	\$44,444	\$888,889
<b>Rapid City 49</b>	Reconst GA apron phase 2; SRE purchase; engineering for deicing apron and containment	\$1,615,000	\$89,722	\$1,794,444
<b>Redfield 11</b>	Land acquisition (90 acres) for RPZ ; construction of 17/35	\$3,528,000	\$196,000	\$3,920,000
<b>Rosebud 10</b>	SRE tractor acquisition; design/construct AWOS-3	\$205,200	\$11,400	\$228,000
<b>SDDOT - 23</b>	PM, including rejuv and Marking at GA Airports	\$820,800	\$45,600	\$912,000
<b>Sioux Falls 51</b>	partial recon rwy 3/21 ends; twy B1 & B3 recon w/rwy 3-21 OFA	\$8,227,472	\$457,081	\$9,141,637
<b>Sisseton 13</b>	Design runway 16/34 reconstruction, turnarounds, connector, geotech	\$153,000	\$8,500	\$170,000
<b>Spearfish-BH 23</b>	EA for crosswind 5-23 and land purchase; SRE truck/plow	\$125,000	\$6,944	\$138,889
<b>Vermillion 12</b>	Construct apron expansion and PAPI replacement	\$559,800	\$31,100	\$622,000
<b>Watertown - 31</b>	ADA access improvements at Terminal building; compliance document	\$99,000	\$5,500	\$110,000
<b>Watertown - 32</b>	Hangar taxilane expansion	\$805,500	\$44,750	\$895,000
<b>Webster - 09</b>	Construct runway, apron, connector taxiway; land acquisition	\$1,998,000	\$111,000	\$2,220,000
<b>Winner 15</b>	Construct lower apron expansion (305 x 50');	\$436,500	\$24,250	\$485,000
	<b>Totals</b>	<b>\$29,117,806</b>	<b>\$1,617,655</b>	<b>\$32,353,122</b>

Total Federal funds      State Funds (5%)      Total Funds

# AERONAUTICS TRUST PROJECTION 2018-2024

## 5% MATCH

