

TO: South Dakota Railroad Board
FROM: Jack Dokken, Office of Air, Rail and Transit
DATE: June 12, 2024
SUBJECT: Consideration of Extending Authority to the Administration Fund

The South Dakota Railroad Board (the “Board”) and the Department of Transportation (SDDOT) use two different funds to pay for railroad activities.

- SDCL 1-44-31 creates the railroad administration fund, which is used to accumulate income received from railroad property and pay for administrative and maintenance expenditures listed in the statute.
- SDCL 49-16C-1 creates the railroad trust fund, which is used for the broad purposes of planning, enlarging, maintaining, equipping, and protecting railroads and railroad facilities. The Board has used railroad trust funds to provide match for federal railroad rehabilitation grants, to provide loans to regional railroad authorities, and for other activities the Board and Governor have deemed appropriate.

In 2021, the Board and Governor Noem approved the transfer of \$540,000 from the trust fund (3044) to the administration fund (3042) to cover projected administrative operating expenses for the state fiscal years of FY2021, FY2022, FY2023. The fund is also being used for FY2024. On average, SDDOT has expended \$135,000 per year.

The administration fund (3042) has a current balance of \$247,000. SDDOT requests to extend this expense authority to FY2024 and FY2025.