

AERONAUTICS COMMISSION REPORT FOR 2019

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.

- Commission members and terms (all expire on October 30):

Eric Odenbach, Chairman, Eureka, term expires FY2021

Kassidy Nelson, Elkton, term expires FY2022

Dave Luers, Pierre, term expires FY2022

Christopher Funk, Volga, term expires FY2021

Rolf Johnson, Mina, term expires FY2021

Bob Huggins, Sioux Falls, term expires FY2022

Vacant Commissioner Position

- Number of airports:

There are currently 69 public use airports in the State (5 with commercial services and the remainder being general aviation).

- Number of registered aircraft over the last five years and registration fees collected in the same time period:
 - a. The “Registration Fee” is due yearly based on the size and age of an aircraft. The average registration fee is less than \$35, and a relatively large percentage of aircraft registered for \$27.50 per year. For further details, please refer to Attachment #1.
 - 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 aircraft which is set at 3%. The variation that occurs 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 FY2015.
- Aviation fuels used in the last five years and the tax received in the same time period is listed below.

<u>State FY</u>	<u>Gallons of Fuel Sold</u>		<u>Taxes Collected</u>		
	<u>AV Gas</u>	<u>Jet Fuel</u>	<u>Fuel Collections</u>	<u>Tax on Aircraft</u>	<u>Total</u>
FY2015	1,082,901	16,447,910	\$729,541	\$1,259,876	\$1,989,417
FY2016	1,020,672	16,674,895	\$709,348	\$797,770	\$1,507,118
FY2017	1,039,205	16,543,326	\$763,485	\$1,204,234	\$1,967,719
FY2018	1,777,171	16,884,474	\$777,680	\$1,527,365	\$2,305,045
FY2019	942,364	16,302,367	\$697,145	\$1,736,956	\$2,434,101

- Federal funds received per the federal fiscal year (October 1st – September 30th) for the past five years is as follows:

FY2015 - \$20,432,294

FY2016 - \$38,322,243

FY2017 - \$29,117,806

FY2018 - \$24,143,556

FY2019 - \$35,373,572

- Please see Attachment #2 for a list of Airport Improvement Program (AIP) projects the State of South Dakota received federal funds for the fiscal year 2019. Shown is a breakdown of costs based on participation. Currently, 90% of eligible costs are federally funded and 5% is funded by the state Aeronautics Fund.
- Aeronautics Fund as of July 1, 2019 had a balance of \$3.5 million of which, \$1.6 million is allocated for city use only (see Attachment #3). The state match has been 5% since 2012. Due to the fund balance continuing to decrease for the past number of years, the Aeronautics Commission has decided to no longer fund revenue producing projects such as, but not limited to; fuel systems and hangar construction and to change the state match to 3.5% beginning in FY2021. The result of this change will require airports to increase their match amount an additional 1.5% as the FAA match rate remains at 90% federal and 10% local match. Again, this was done to bring expenditures in line with revenues.

In 2010, the Legislature transferred \$3.5 million from the Aeronautics Fund to help balance the state budget. In FY2014, the Legislature returned \$500,000 to the fund. To continue supporting airport projects and aviation related activities, the Aeronautics Commission continues to request the remaining \$3 million be returned to the Aeronautics Fund.

- Airport inspections:
Non-commercial airports are inspected by SDDOT each year, with further compliance inspections conducted as needed. The commercial service airports are inspected by the FAA Certification Inspectors.
- South Dakota Airport Conference:
SDDOT sponsors a yearly “Airport’s Conference” in the spring to educate and communicate with airport managers, airport sponsors, engineering consultants representing the sponsors in construction projects, and FAA personnel.

Additional Projects:

- SDCL Title 50 “Aeronautics” update
A team made up of various aviation organizations, SD legislature, SDDOT, and the Aeronautics Commission met several times over the past year to discuss and update SDCL Title 50. This has been done the past three years as a phased approach to refresh the language and update SD law to comply with federal laws and current state procedures. The changes have eliminated ambiguity and clarified terminology. In FY2018 and FY2019, bills were introduced and passed. This year’s review and proposed changes should be the last of any necessary updates and it is planned that a bill will be introduced during or the 2020 Legislative Session to enact these final changes.
- Powder River Training Complex (PRTC):
Members of state and aviation organizations from Montana, Wyoming, and North and South Dakota have met numerous times to discuss the Powder River Military Operations Area (MOA) that includes the geography of northwestern South Dakota. Issues discussed included separation of military and general aviation (GA) traffic, radar coverage and availability of communication and real-time updates of the MOA status to GA pilots. The goal of the organizations is to improve interoperability between military and FAA air traffic control regarding the issuance of Notice to Airmen (NOTAMs) and MOA status text updates for pilots. Funding is needed to deploy radio equipment and automatic dependent surveillance – broadcast (ADS-B) ground stations. In FY2019, some radio equipment was installed but more is still needed.
- Aviation Education:
For the past few years, the Commission has granted funding to the South Dakota Discovery Center, Civil Air Patrol (CAP), and SDSU, to promote aviation to students in middle and high school. These three organizations have been promoting aviation throughout South Dakota to teach students about aviation, provide opportunities for students to visually see and experience physical aircraft, and provide opportunities to experience SDSU’s mobile flight simulator. In FY2018, 1000 USB (flash) drives, with information regarding aviation, flight schools, scholarships, aviation careers, etc., were purchased and provided to middle and high school students at various events. In November FY2019, 1,000 more flash drives were purchased to distribute in FY2020.
- In FY2019, a contract was approved to update the State Aviation System Plan. An update is required every 10 years by the Federal Aviation Administration (FAA) and our last one was completed in FY2010. The purpose of the plan is to review the current condition of our public airports and project future needs. As a part of the review, an airport inventory was collected, performance targets adjusted, an economic impact study is being conducted. The updated plan is expected to conclude in June 2020.

Fee Type	FY2015	FY2016	FY2017	FY2018	FY2019	Total Collected Per Fee Type
Registration Fee	\$52,246	\$53,491	\$52,694	\$54,106	\$51,684	\$264,221
Tax Payment	\$1,246,421	\$839,052	\$1,184,250	\$1,171,422	\$2,088,134	\$6,529,279
Tax Penalty Payment	\$2,632	\$401	\$185	\$14,302	\$0	\$17,520
Total Collected Per Year	\$1,301,299	\$892,944	\$1,237,129	\$1,239,830	\$2,139,818	\$6,811,020

	FY2015	FY2016	FY2017	FY2018	FY2019
Nbr of Aircraft Registrations	1184	1207	1210	1251	1256
Percentage increase each year	0.93%	1.91%	0.25%	3.28%	0.40%

Figures based upon date of entry (or date payment is received), not when it's reflected in the State's Accounting System.

2019 SD Airport AIP Grants

Airport	Project Description	Discretionary	Apportion	Federal Funds (90%)	State Funds (5%)	Local Funds (5%)	Project Total
Aberdeen - 40	Reconstruct taxiway C and C2, connector C to D; asphalt removal	\$2,301,612		\$4,329,000	\$240,500	\$240,500	\$4,810,000
Belle Fourche	Design/construct asphalt access road and parking lot			\$217,755	\$12,098	\$24,733	\$254,586
Brookings - 31	Reconstruct GA apron, taxilane, access road with 35' apron expansion	\$1,490,588	\$500,000	\$2,376,000	\$132,000	\$132,000	\$2,640,000
Buffalo-Harding Co 08	Design/Construct SRE building/GA terminal			\$426,005	\$23,667	\$23,667	\$473,339
Canton - 08	Design hangar taxilane			\$70,200	\$3,900	\$3,900	\$78,000
Desmet - 13	Design runway turnarounds			\$45,000	\$2,500	\$2,500	\$50,000
Faith - 10	EA for cultural inventory and wetland delineation for land and perimeter fence			\$49,500	\$2,750	\$2,750	\$55,000
Faulkton - 11	Reconstruct south GA apron		\$42,992	\$828,000	\$46,000	\$46,000	\$920,000
Gettysburg - 11	Design/construct hangar taxilane pavement rehabilitation		\$70,889	\$312,978	\$17,388	\$17,388	\$347,753
Huron - 37	Upgrade PAPIs, REILS, rwy & twy signs; LED lighting on rwy 17/35		\$405,005	\$637,505	\$35,417	\$35,417	\$708,339
Madison - 17	Pavement maintenance 15/33 and turnarounds including remarking		\$16,770	\$180,270	\$10,015	\$10,015	\$200,300
McLaughlin - 10	Land acquisition assistance, appraisals, acquisition of property and easement			\$121,500	\$6,750	\$6,750	\$135,000
Milbank - 16	Land appraisal & acquisition			\$333,000	\$18,500	\$18,500	\$370,000
Miller - 10	ALP update, archeological survey, wetland del, land appraisal and purchase reimbursement.			\$202,500	\$11,250	\$11,250	\$225,000
Mitchell - 28	Design Runway 18/36 recon w/turnaround and lighting/beacon or ALP			\$0	\$0	\$0	\$0
Mobridge - 13	Replace PAPIs on 12-30 and flight check			\$77,815	\$4,323	\$4,323	\$86,461
Murdo - 11	Design, engineering and bidding for multi-aircraft hangar			\$66,000	\$3,667	\$3,667	\$73,333
Onida - 11	Design, const adimin and eng. construction of hangar taxilane expansion			\$198,900	\$11,050	\$11,050	\$221,000
Philip - 12	GA apron reconstruction and multi-aircraft hangar			\$1,100,000	\$61,111	\$61,111	\$1,222,222
Pierre - 40	Design 7/25 reconstruction; Reconst twy B and realign 13/31 twy connectors.			\$115,000	\$6,389	\$6,389	\$127,778
Rapid City - 50	Terminal rehab phase 2 - escalators, elevator, stairs, chiller, security; SRE; access road			\$4,559,000	\$253,278	\$253,278	\$5,065,556
Redfield - 12	Design wildlife fence			\$31,500	\$1,750	\$1,750	\$35,000
Rosebud - 11	Design/construct SRE building expansion			\$441,000	\$24,500	\$24,500	\$490,000
Sioux Falls - 53	Const deicing apron; south apron replace; east cargo apron exp. Twy D, E			\$7,916,184	\$439,788	\$439,788	\$8,795,760
Sisseton - 15	Runway 16/34 Reconstruction and turnarounds, connector & lighting	\$1,500,000	\$517,530	\$2,593,530	\$144,085	\$144,085	\$2,881,700
Spearsfish-BH - 25	Phase 2 planning - focused study - cultural site adjustment and phase 3 plan			\$228,000	\$12,667	\$12,667	\$253,333
Sturgis - 15	Design taxilane extension, 6 unit T hangar, access road, relocate OFA obstructions			\$67,500	\$3,750	\$3,750	\$75,000
Tea - 14	Approach survey, obstruction removal; design approach lighting for GPS non-precision approach			\$179,390	\$9,966	\$9,966	\$199,322
Vermillion - 13	Design hangar taxilane reconstruction			\$49,500	\$2,750	\$2,750	\$55,000
Wagner - 13	Construct revenue producing T-hangars			\$504,000	\$28,000	\$28,000	\$560,000
Wall - 08	Runway 12 extension land acquisition and 18 RPZ EA			\$140,000	\$7,778	\$7,778	\$155,556
Watertown - 34	Terminal Apron Reconstruction	\$1,472,000		\$2,574,000	\$143,000	\$143,000	\$2,860,000
Webster - 10	Land acquisition; design revenue-producing hangar			\$117,000	\$6,500	\$6,500	\$130,000
Wess Sprgs - 11	Reconst 12/30 and connector taxiway to OFA	\$0	\$1,348,500	\$1,948,500	\$108,250	\$108,250	\$2,165,000
Yankton - 29	Construct apron expansion, remove hangar, relocate two hangars		\$935,448	\$1,514,000	\$84,111	\$84,111	\$1,682,222
SDDOT - 09	Pavement Maintenance		\$101,000	\$823,500	\$45,750	\$45,750	\$915,000
Totals	Totals	\$6,764,200	\$3,938,134	\$35,373,532	\$1,965,197	\$1,977,832	\$39,316,560

Total Federal funds State Funds (5%) Local Funds (5%) Total Funds

AERONAUTICS FUND BALANCE

