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TO: South Dakota Railroad Board  
FROM: Jack Dokken, Office of Railroads  
DATE: June 7, 2021  
SUBJECT: Funds Transfer

The SD Railroad Board and SDDOT use two different funds to pay for railroad activities. SDCL 1-44-31 creates the railroads administration fund, which is used to accumulate income received from railroad property and pay for the 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 road 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.

With the current changes in state railroad ownership, the railroad administration fund will have an estimated 95% decrease in annual income. Because of this decrease, the administration fund will need an income adjustment provided by the trust fund.

The state requests the Board to authorize the transfer of \$540,000 to the railroad administration fund. The SDDOT averaged the last five years of disbursements to calculate an annual average. The SDDOT expects the requested amount to last two years. A five-year history of admin funds is included below:

	ACTUAL FY2016	ACTUAL FY2017	ACTUAL FY2018	ACTUAL FY2019	ACTUAL FY2020	ACTUAL FY2021
Licenses, Permits & Fees	35,459	38,595	34,814	36,143	62,197	21,379
Rev/Use of Money/Property	112,796	85,561	106,542	101,221	103,867	74,472
Other Revenues	100,000	0	90	0	0	
Nonoperating Revenues	27	37,819	0	0	0	
<b>TOTAL RECEIPTS</b>	<b>248,282</b>	<b>161,975</b>	<b>141,446</b>	<b>137,364</b>	<b>166,064</b>	<b>95,851</b>
Personal Services	171,251	150,350	133,555	162,731	183,058	141,729
Travel	12,908	16,360	9,079	14,192	10,712	4,081
Contractual Services	346,908	31,077	39,261	24,198	20,142	13,948
Supplies	2,061	2,038	2,580	4,259	5,612	1,544
Capital Outlay	100	3,456	2,243	14	53	104
Other	0	0	786	0	0	0
<b>TOTAL DISBURSEMENTS</b>	<b>533,227</b>	<b>203,280</b>	<b>187,503</b>	<b>205,394</b>	<b>219,576</b>	<b>161,407</b>
<b>ENDING CASH BALANCE</b>	<b>237,392</b>	<b>171,997</b>	<b>272,026</b>	<b>144,530</b>	<b>97,465</b>	<b>13,696</b>

**1-44-31. Railroads administration fund--Creation--Services--Expenditure.**

There is hereby created a special fund in the state treasury known as the railroads administration fund. All rentals, fees, charges, and income received through the management of railroad property, both real and personal, shall be paid into the railroads administration fund. To the extent possible, expenditures for administration and maintenance of railroad property, including, but not limited to, funds sufficient to staff, administer, equip, and maintain the records of state-owned railroad property and facilities and to provide for weed control, fences, security, railroad crossing, and safety warning signs on state railroad property, not otherwise provided for, shall be paid from funds on deposit in the railroads administration fund.

**49-16C-1. Railroad trust fund--Creation--Expenditure.**

For the purposes of planning, enlarging, maintaining, equipping, and protecting railroads and railroad facilities, there is hereby created a special fund within the state treasury known as the railroad trust fund. All moneys in the fund, except as otherwise provided in this chapter, shall be expended in accordance with the provisions of chapter 4-7, chapter 4-8, chapter 4-8A, and chapter 4-8B.