

AERONAUTICS COMMISSION REPORT FOR 2018

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 2021

Kassidy Nelson, Elkton, term expires 2019

Dave Luers, Pierre, term expires 2019

Christopher Funk, Volga, term expires 2021

Travis Lantis, Spearfish, term expires 2019

Rolf Johnson, Mina, term expires 2021

Bob Huggins, Sioux Falls, term expires 2020

- Staffing of the SD DOT 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.
- Number of airports:
There are currently 71 public use airports in the State (5 commercial services with the remainder being general aviation).
- 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. The law pertaining to registration is fairly old with the average registration fee 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 aircraft which is set at 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 2014.

- 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>
FY2014	1,016,967	14,924,629	\$715,358	\$1,019,578	\$1,734,936
FY2015	1,082,901	16,447,910	\$729,541	\$1,259,876	\$1,989,417
FY2016	1,020,672	16,674,895	\$722,590	\$470,199	\$1,192,789
FY2017	1,039,205	16,543,326	\$763,485	\$1,204,234	\$1,967,719
FY2018	1,777,171	16,884,474	\$782,009	\$1,171,422	\$1,953,431

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

FY2014 - \$19,831,306

FY2015 - \$20,432,294

FY2016 - \$38,322,243

FY2017 - \$29,117,806

FY2018 - \$24,143,556

- 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 2018. 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 trust fund.
- Aeronautics Trust Fund as of July 1, 2018 had a balance of \$4 million (see Attachment #3). The state match has been 5% for the last eight years.

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 to the fund. To continue supporting airport projects and aviation related activities, the Aeronautics Commission would like to see the remaining \$3 million returned to the Aeronautics Trust Fund.

- 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.
- South Dakota Airport Conference:**
SDDOT 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 regulators. The conference is used to educate and discuss issues.

- **Additional Projects:**

- **SDCL Title 50 “Aeronautics” update**

- A group of individuals representing various aviation organizations, SD legislature, SDDOT, and the Aeronautics Commission met several times over the past year to discuss and update SDCL Title 50. The proposed changes will refresh the language and bring it in line with federal law and current state procedures, make it less ambiguous and clarify terminology. It is anticipated a bill will be proposed for the upcoming legislative session.

- **Powder River Training Complex (PRTC):**

- Members of state and aviation organizations from Montana, Wyoming, and North and South Dakota met 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.

- **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. In 2018, 1000 USB (flash) drives, with information regarding aviation, flight schools, scholarships, aviation careers, etc., were purchased to be given to middle and high school students at various events. These three organizations have been traveling around South Dakota teaching about aviation, providing students with the opportunity to visually see and experience physical aircraft, and fly SDSU’s mobile flight simulator.

Attachment #1 - Aircraft Registered and Fees Collected

<u>Fee Type</u>	<u>CY2014</u>	<u>CY2015</u>	<u>CY2016</u>	<u>CY2017</u>	<u>CY2018</u>	<u>Total Collected Per Fee Type</u>
Registration Fee	\$54,382.00	\$52,920.00	\$53,090.00	\$54,429.00	\$52,939.00	\$267,760.00
Registration Penalty Fee	\$13.00	Repealed in 2014 Session				\$13.00
Tax Payment	\$897,653.00	\$1,203,254.00	\$866,765.00	\$1,512,204.00	\$1,355,090.00	\$5,834,966.00
Tax Penalty Payment	\$7,624.00	\$401.00	\$47.00	\$14,440.00		\$22,512.00
Total Collected Per Year	\$959,672.00	\$1,256,575.00	\$919,902.00	\$1,581,073.00	\$1,408,029.00	\$6,125,251.00

	<u>CY2014</u>	<u>CY2015</u>	<u>CY2016</u>	<u>CY2017</u>	<u>CY2018</u>
Nbr of Aircraft Registrations	1254	1285	1317	1337	1353
Percentage increase each year	9.14%	2.47%	2.49%	1.52%	1.20%

Attachment #2 - Airport Improvement Program Projects

2018 SD AIP Grants

Project	Project Description	Discretionary	Apportionment	Federal Funds (90%)	State Funds (5%)	Total Funds
Aberdeen - 38	passenger boarding bridge			\$747,000	\$41,500	\$830,000
Aberdeen - 39	Master Plan, AIP and approach survey			\$468,000	\$26,000	\$520,000
Bison - 10	Rehab and pave access road and construct new parking area			\$189,000	\$10,500	\$210,000
Brookings - 30	Design of apron reconstruction and geotech exploration			\$90,000	\$5,000	\$100,000
Buffalo-Harding Co 07	Specs and acquire SRE skid loader with attachments			\$221,731	\$12,318	\$246,368
Clark County - 12	Design and geotech for 12/30 runway and connector taxiway recon			\$99,000	\$5,500	\$110,000
Custer County - 14	master plan study; eALP; runway 8-26 improvement justification		\$116,000	\$324,000	\$18,000	\$360,000
Desmet - 12	Hangar taxilane expansion and concrete hardstand		\$82,397	\$607,500	\$33,750	\$675,000
Eagle Butte - 10	GA apron reconstruction		\$84,000	\$834,000	\$46,333	\$926,667
Eureka - 09	Install tilt-down beacon bole			\$64,800	\$3,600	\$72,000
Faith - 09	Rehab and pave access road and parking area			\$339,300	\$18,850	\$377,000
Flandreau - 10	Environmental assessment for runway geometry and land acquisition			\$99,000	\$5,500	\$110,000
Gettysburg - 10	Install new fuel system; pavement maintenance			\$440,309	\$24,462	\$489,232
Gregory - 15	Design, geotech, cons insp. Testing & constr of hangar taxilane expans.			\$343,800	\$19,100	\$382,000
Hoven - 10	Design, geotech, admng, testing to reconstruct GA apron			\$526,500	\$29,250	\$585,000
Huron - 36	Repair commercial apron; wildlife study and hazard mitigation plan		\$70,000	\$67,500	\$3,750	\$75,000
Lemmon - 14	Runway 12/30 reconstruction; MIRL, PAPIs, RSA grading, runway edge drains	\$2,032,545	\$698,442	\$3,172,500	\$176,250	\$3,525,000
Madison - 16	Construct parallel taxiway, runway connector, taxilane and apron connector; storm sewer/culvert; MIRL; material testing	\$1,060,000	\$1,500,000	\$2,938,978	\$163,277	\$3,265,531
Mobridge - SUP	100% federal					
Mobridge - 12	Design/Construction of 12-30 and connector, grade RSA, lighting, turnaround expansion, testing; replace edge lights and PAPIs			\$355,460	\$19,748	\$394,955
Onida - 10	design/construct 6 unit T hangar and taxilane			\$675,000	\$37,500	\$750,000
Philip - 11	rev- producing hangar design; GA apron reconstruction design			\$117,000	\$6,500	\$130,000
Pierre - 39	GA hangar taxilane; ag area taxiway const; design twy B recon			\$1,200,001	\$66,667	\$1,333,334
Platte - 10	Design/install card/reader for existing fuel; design for hangar/GA terminal			\$130,500	\$7,250	\$145,000
Rapid City - 50	Design/construct replacement baggage claim, escalators, elev & stairs			\$620,000	\$34,444	\$688,889
Rapid City - 51	EA for sanitary sewer for airport			\$185,000	\$10,278	\$205,556
Sioux Falls - 52	replace perimeter fence; remove obstruction; expand west GA apron; design term apron expansion/deicing pad; move ANG blast fence; SRE			\$3,007,295	\$167,072	\$3,341,439
Sisseton - 14	Airport Layout Plan update			\$171,000	\$9,500	\$190,000
Spearfish-BH - 24	EA for runway 5-23 constr & land; wildlife hazard site visit and mgmt plan			\$28,000	\$1,556	\$31,111
Springfield - 007	Replace runway lights			\$219,992	\$12,222	\$244,436
Sturgis - 14	Environmental, design, construct Rev-producing fuel system			\$343,666	\$19,093	\$381,851
Wagner - 13	Design for Revenue producing T-hangars			\$31,500	\$1,750	\$35,000
Watertown - 33	Design terminal apron reconstruction			\$99,000	\$5,500	\$110,000
Wess Sprigs - 10	Design runway 12/30 reconstruction; engineering report			\$103,500	\$5,750	\$115,000
Yankton - 27	Historic mitigation for apron expansion			\$108,449	\$6,025	\$112,499
Yankton - 28	Design apron expansion			\$63,000	\$3,500	\$70,000
SDDOT - 08	Pavement Condition Index Survey		\$157,500	\$157,500	\$17,500	\$175,000
SDDOT - 09	Aviation system plan		\$540,000	\$540,000	\$60,000	\$600,000
SDDOT - 24	Statewide pavement maintenance			\$315,000	\$17,500	\$350,000
Totals		\$3,092,545	\$3,248,339	\$20,043,781	\$1,152,293	\$22,270,868
			Total Federal Funds	State Funds (5%)	Total Funds	
Mobridge	Supplemental Appropriation		\$4,099,775	\$4,099,775		\$4,099,775

Attachment #3 - Aeronautics Trust Fund

AERONAUTICS FUND BALANCE

