

# AERONAUTICS COMMISSION REPORT

## CY2025



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):**

- Robert “Bob” Huggins, Chairman, Sioux Falls, term expires 2026
- Rolf Johnson Vice-Chairman, Mina, term expires 2027
- Dustin Coleman, Rapid City, term expires 2027
- David Howard, Winner, term expires 2026
- Ivan Venner, Hot Springs, term expires 2028 (appointed in 10/30/2025)
- Kassidy Nelson, Aberdeen, term expired 2025
- Jerry Rieber, Watertown, resigned on 7/9/2025
- Chris Funk, Brookings, resigned on 7/14/2025

### **Number of airports:**

There are currently 69 public use airports in the State, five have commercial services and the remainder being general aviation.

### **Number of registered aircraft over the last five years and registration fees collected in the same period:**

- 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 are registered for \$27.50 per year. However, there were a considerable number of registration fees between \$100 and \$300 which brought the average registration fee to \$41.72. For further details, please refer to Attachment A.
- 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.

In 2025, an audit of the FAA’s database of registered owners in South Dakota was performed comparing SDDOT’s aircraft registration program. Staff reached out to those that had not registered with the state. DOT updated our records as there were various reasons why aircraft had not been registered such as their aircrafts were unairworthy or not hangered in the state. Annual registrations that previously were marked as stored were also changed to active and therefore required to register annually if their aircrafts were airworthy and still hangered in the state. Due to the audit and removing the stored option, this resulted in collecting more registrations and taxes in 2025.

**Aviation fuels used in the last five years and the tax received is listed in Attachment A.**

**Federal grants received per the federal fiscal year (October 1st – September 30th) for the past five years are listed below:**

FY2021 - \$62,530,379 (Includes Covid related grants)
FY2022 - \$56,397,913 (Includes Covid related grants and IIJA)
FY2023 - \$36,021,091 (Includes BIL grants)
FY2024 - \$55,379,475 (Includes BIL grants)
FY2025 - \$93,699,291 (Includes IIJA grants)

**Airport Improvement Program (AIP):**

See Attachment B for a list of Airport Improvement Program (AIP) projects the State of South Dakota received. This list of projects comprises our 2025 AIP grants and shown is a breakdown of costs based on participation. Normal federally funded AIP project is 90% federal, 5% state, and 5% local. In 2025, the match was 95% federal, 2.5% state and 2.5% local. Typical eligible projects for AIP work include runway construction, runway maintenance, taxiways, airport aprons, runway lighting, airport fencing, and other infrastructure improvements.

**Coronavirus Response and Relief Act (CRRSAA):**

Signed into law on December 27, 2020, Non-primary commercial service and general aviation airports received funding to provide economic relief affected by the COVID-19 pandemic. South Dakota airports received a total of \$10,243,364. These funds were used for operational costs, along with any supply needs related to the pandemic were funded with no local cost share requirement. These funds expired 6/30/2025.

**American Rescue Plan Act (ARPA):**

Signed into law on March 11, 2021, included funds to be awarded as economic assistance to airports to prevent, prepare for, and respond to the pandemic. South Dakota airports were allocated \$16,466,090. These funds must be expended by 12/29/2025 and are used for operational costs, along with any supply needs related to the pandemic and are funded with no local cost share requirement. SD has \$132,363 as of 10/8/2025 left in ARPA funds which includes 8 grants. Staff has continuously reminded airports about the deadline and for them to expend funds prior to the expiration date as any remaining unobligated funds will lapse.

**Infrastructure Investment and Jobs Act (IIJA):**

Signed into law on November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA) also known as the Bipartisan Infrastructure Law (BIL) provides \$550 billion over fiscal years 2022 through 2026 in Federal eligible infrastructure projects, including roads, bridges, mass transit, water infrastructure, resilience, and broadband. South Dakota airports were allocated \$32,874,922 in FY2025 this includes airport terminal project grants. The expenditure dates vary for each grant awarded and are based upon each individual airport's funding agreement. The last funding agreement must be executed by 9/30/2030.

**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 inspectors.

**South Dakota Airport Conference:**

SDDOT hosts a yearly "Airports Conference" in the spring to educate and communicate with airport managers, airport sponsors, finance officers, SDDOT staff, engineering consultants representing the sponsors, and FAA personnel. The conference for 2025 was held in Deadwood, SD at The Lodge on April 1-3. The conference provided a great opportunity to exchange information for current and future aviation issues. The conference for 2026 will be held in Pierre, SD at The Ramkota Hotel and Convention Center and will be April 7-8, 2026.

**Aeronautics Fund Balance:** Attachments C and D

The State aeronautics fund receives its revenues from those funds listed above (aircraft registration fees and aircraft fuel taxes) and is used to support airport grants, ongoing aviation related services, and special projects. The funds deposited into the Aeronautics fund are allocated into two distinct uses, one for state aeronautics use and the other for individual airport sponsor use. The airport sponsor allocations are based on set allocations as established by the Aeronautics Commission and then are prorated according to aircraft fuel sold and collected at each eligible airport. Thus, each airport receives funding based on aircraft fuel sales derived from their individual airport which can be used for general aviation purposes. For SFY2025, year-end state aeronautics funds balance was \$17,188,404 and the total for individual airport sponsor use was \$1,116,588, giving a grand total amount of \$18,304,992 in the state aeronautics fund.

**South Dakota Airport Terminal Program (SDATP):**

The SDDOT launched the South Dakota Airport Terminal Program (SDATP) following the successful passage of Senate Bill 144 in the 2024 legislative session. This bill allocated \$10 million in funding to support airport terminal projects across the state, representing a one-time investment in enhancing South Dakota’s aviation infrastructure. The SDATP funds are unique, as they are one-time appropriations distinct from the traditional Aeronautics Commission policies. SDATP funds are designated strictly for construction reimbursement and exclude costs related to project planning, design, and administration. Local community effort and funding were critical components for consideration. Eligible projects for SDATP funding had to meet stringent criteria:

- Projects must be part of the Airport Capital Improvement Plan or included in the National Plan of Integrated Airports submitted yearly to the state.
- Projects must receive federal funding through at least one year of AIP federal entitlements and the Bipartisan Infrastructure Law (BIL) Airport Infrastructure Grant allocation. This includes having submitted an application, awarded a grant, or committed to applying in the next federal funding round for federal discretionary funds.
- Projects must not have been completed by the application deadline and must be scheduled to receive federal discretionary grants by Monday, Sept. 30, 2025, to retain eligibility.

The following is a list of the airport facilities that were awarded SDATP funds for terminal projects:

**Airport Facility and SDATP Allocation**

Aberdeen	\$1,200,000	Spearfish	\$1,319,073
Hot Springs	\$27,000	Sturgis	\$210,000
Rapid City	\$3,047,126	Tea	\$735,000
Sioux Falls	\$2,561,801	Watertown	\$900,000

In 2025, Hot Springs and Tea decided not to remodel their terminals, and their funds were reallocated to Rapid City and Sioux Falls. Of the \$762,000 in funds to be reallocated, Rapid City received an additional \$413,518 and Sioux Falls received an additional \$348,482. The reallocation was based on the percentages used in the original distribution plan. The new total amount for Rapid City is \$3,460,644 and Sioux Falls is \$2,910,283.

**Potential Air Space Obstructions:**

Wind turbine construction across South Dakota has increased substantially, with many structures now exceeding 600 feet above ground level. Under Federal Aviation Administration (FAA) Part 77 regulations, structures above 499 feet are considered potential obstructions to air navigation. Despite this, several 600-foot turbines have been approved near airports and flight paths. The FAA guidance requires that a Safety Risk Management Panel (SRMP) be conducted locally when there are objections to the structure being built. To the best of our knowledge, no SRMPs have been conducted for wind farms in South Dakota, even though turbines of this height could directly affect visual flight operations and radar coverage.

The Commission is now reviewing airport zoning regulations and FAA tall structure construction filings in greater detail. The Commission intends to provide formal comments on any proposed wind turbines exceeding 499 feet above ground level when such structures pose a potential threat to navigable airspace. In coordination with the FAA, the Commission also plans to participate in future SRMP processes to ensure that local aviation safety concerns are fully evaluated before project approval.

### Aeronautics taxes and registration fees collected.

<u>State FY</u>	<u>Gallons of Fuel Sold</u>		<u>Taxes Collected</u>			<u>Total</u>
	<u>AV Gas</u>	<u>Jet Fuel</u>	<u>Fuel Collections</u>	<u>Aircraft Tax</u>	<u>Registration Fee</u>	
FY2021	907,517	15,978,973	\$666,510	\$898,262	\$55,211	\$1,619,983
FY2022	942,032	21,595,431	\$919,261	\$2,196,771	\$57,424	\$3,173,456
FY2023	831,660	21,159,714	\$891,929	\$3,193,041	\$53,160	\$4,138,130
FY2024	929,484	21,248,838	\$923,439	\$1,969,820	\$51,439	\$2,944,698
FY2025	967,011	22,437,961	\$936,092	\$5,750,228	\$68,771	\$6,755,091

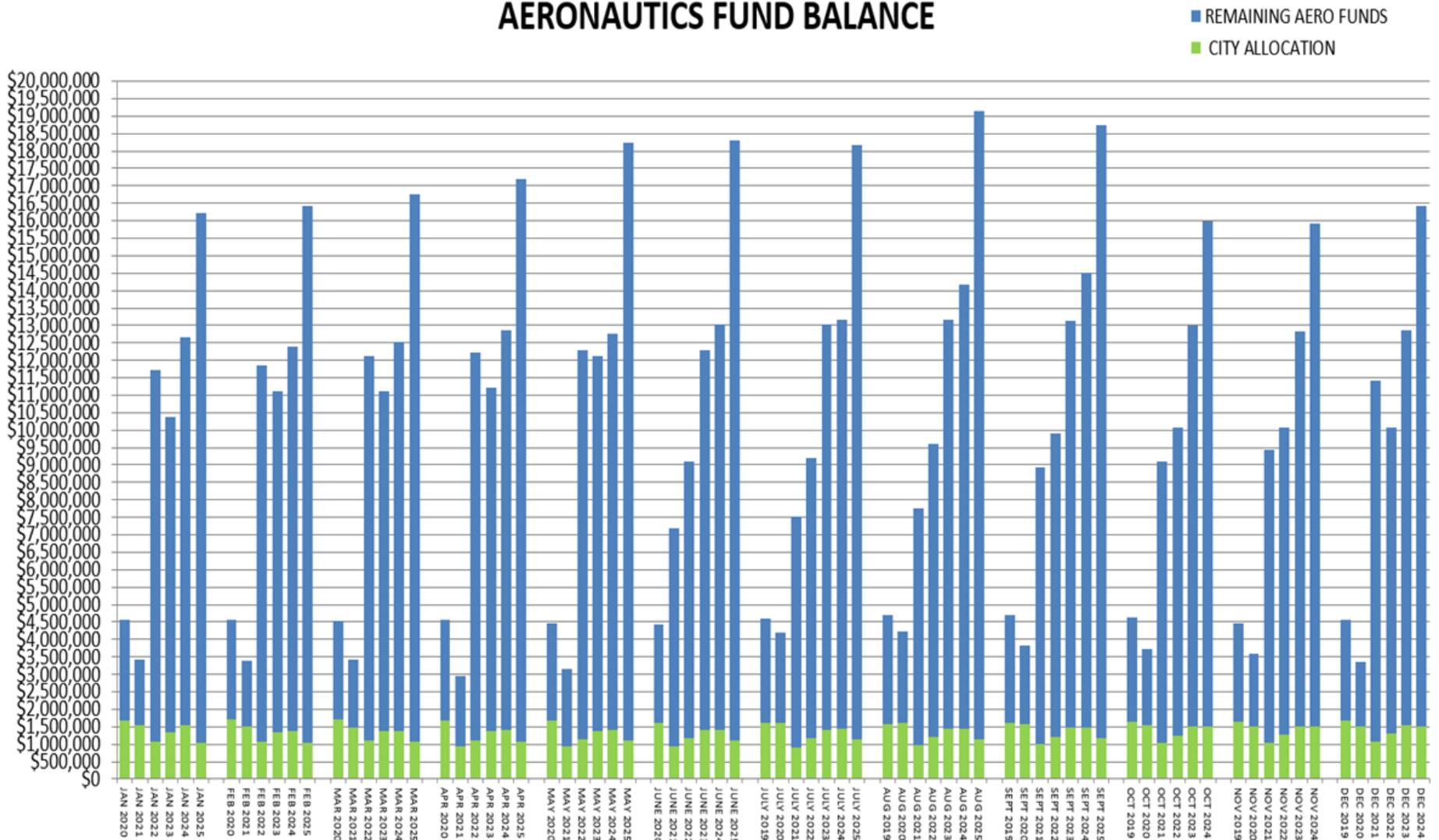
	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Number of Aircraft Registrations	1387	1338	1268	1233	1542
Percentage increases each year	10.2%	-3.5%	-5.2%	-2.76%	25.1%

Figures based upon date of entry (or date payment is received), not when it's reflected in the State's Accounting System. The number of aircraft registrations may change throughout the year from the numbers listed if a plane is sold out of state or becomes unairworthy.

## 2025 AIP and BIL Grants

Grant	Airport Name	Project Description	Project Total	AIP	State	State Terminal	Local	BIL (including BIL ATP)	Total Federal
055	Aberdeen Regional	BIL Design and construct remodel /expansion of terminal building for baggage screening	842,106	0	0		42,105	800,000	800,000
	Aberdeen Regional	State Terminal	1,200,000			1,200,000			0
054	Aberdeen Regional	IJA construct 164,200 sq ft terminal parking lot	1,570,000		39,250		39,250	1,491,500	1,491,500
053	Aberdeen Regional	AIP reconstruct 5200' of terminal access road	1,325,000	1,258,750	33,125		33,125	0	1,258,750
056	Aberdeen Regional	IJA Construction admin to improve and expand terminal for baggage screening	68,000	0	0		3,400	64,600	64,600
057	Aberdeen Regional	AIP- install preconditioned air unit to commercial aircraft boarding bridge (VALE)	265,000	251,750	0		13,250	0	251,750
022	Belle Fourche Municipal	BIL Reconstruct 1340' of hangar taxilanes, phase 3 east taxilane.	180,000	0	4,500		4,500	171,000	171,000
021	Belle Fourche Municipal	AIP Reconstruct hangar taxilane west, middle and east.	1,030,000	978,500	25,750		25,750	0	978,500
017	Bison Municipal	revenue producing hangar - Design and bidding	248,000	0	0		12,400	235,600	235,600
040	Brookings Municipal	BIL Design and construct 140 x 35' hangar taxilane expansion	235,000	0	5,875		5,875	223,250	223,250
011	Buffalo-Harding County	BIL wildlife site visit and management plan	80,000	0	2,000		2,000	76,000	76,000
018	Canton Municipal	BIL update master plan and ALP, 52% planning study.	190,840	0	4,771		4,771	181,298	181,298
019	Canton Municipal	AIP Update master plan and ALP; 48% planning study.	176,160	167,352	4,404		4,404	0	167,352
018	Clark County	IJA Phase 2 Construct fuel system - site work	144,212	0	0		7,211	137,000	137,000
021	Custer County	IJA Environmental assessment for reconstruction, extension and widening of rw 8/26	428,025		10,701		10,701	406,623	406,623
019	Eagle Butte	AIP Design/ bid and install AWOS-III; and associated power and communications infrastructure	590,000	560,500	14,750		14,750	0	560,500
018	Faith Municipal	IJA Renumber runway to 14-32; obstruction lighting for 14/32	138,000	0	3,450		3,450	131,100	131,100
020	Faith Municipal	IJA Reconstruct airport beacon and flight check	94,140	0	2,354		2,354	89,432	89,432
019	Faith Municipal	AIP replace MIRLS, PAPIs, lighting controls, electrical vault, windcone; asbuilt AGIS survey	1,015,861	965,068	25,396		25,396	0	965,068
016	Flandreau Municipal	AIP land acquisition parcel 8 and 9 for runway 10/28 shift and AGIS survey	1,130,000	1,073,500	28,250		28,250	0	1,073,500
017	Flandreau Municipal	BIL shift runway 10/28 - AGIS survey; Design construction of taxiway A.	295,000	0	7,375		7,375	280,250	280,250
017	Gettysburg Municipal	IJA Rehab SRE by insulating and heating structure	46,316	0	1,158		1,158	44,000	44,000
018	Gettysburg Municipal	AIP Design 6 unit T hangar; aquatic and cultural resource surveys	150,000	142,500	0		7,500	0	142,500
022	Gregory Municipal - Flynn Field	IJA phase 3 revenue-producing T-hangers (4-unit); 65% Bid schedule B - construction	467,369	0	0		23,369	444,000	444,000
023	Gregory Municipal - Flynn Field	AIP Construct 4 unit T hangars bid schedule A 35% bid schedule B	560,000	532,000	0		28,000	0	532,000
014	Highmore Municipal	AIP Reconstruct and expand Apron; reconstruct taxiway A	875,774	831,983	21,894		21,894	0	831,983
019	Hot Springs Municipal	AIP Construct AWOS-III system	535,000	508,250	13,375		13,375	0	508,250
018	Hoven Municipal	IJA phase 1 Design revenue producing hangar (60' x 80')	90,000	0	0		4,500	85,500	85,500
020	Lemmon Municipal	IJA Apron and hangar taxilane reconstruction - design and bidding	215,000	0	5,375		5,375	204,250	204,250
028	Madison Municipal	AIP construct apron reconstruction, admin and testing	449,000	426,550	11,225		11,225	0	426,550
027	Madison Municipal	IJA Phase 2 Reconst taxilane	123,000	0	3,075		3,075	116,850	116,850
021	Martin	IJA Design and bidding for realignment of taxiway	145,000	0	3,625		3,625	137,750	137,750
017	McLaughlin Municipal	IJA reimburse revenue hangar (4800') - Phase IV	145,000	0	0		7,250	137,750	137,750
023	Mitbank Municipal	IJA construct taxiway A turnaround; wetland mitigation and grading	340,000	0	8,500		8,500	323,000	323,000
022	Mitbank Municipal	AIP - phase 2 construct taxiway A, turnaround; asphalt surfacing, taxiway lighting, storm sewer	625,000	593,750	15,625		15,625	0	593,750
016	Mittler Municipal	BIL design AWOS III	85,000	0	2,125		2,125	80,750	80,750
017	Mittler Municipal	AIP Construct connector taxiway and terminal access road rehab; reconstruct beacon	909,000	863,550	22,725		22,725	0	863,550
034	Mitchell Municipal	AIP Design for shift, narrow, reduce length and reconstruction of 18/36; reconstruct taxiway B	273,359	259,691	6,834		6,834	0	259,691
033	Mitchell Municipal	IJA construct revenue producing hangar phase 2	1,127,000	0	0		56,350	1,070,650	1,070,650
017	Murdo Municipal	IJA Design Runway 14/32 reconstruction and lighting system, MIRL and PAPIs and 14 turnaround;	390,000		9,750		9,750	370,500	370,500
019	Philip	BIL Master plan/ALP development; surveys, property map	171,000	0	4,275		4,275	162,450	162,450
020	Philip	AIP Master plan narrative, ALP phase 2	125,000	118,750	3,125		3,125	0	118,750
052	Pierre Regional	IJA Design construction of parallel txy C, txy C MIRL and crack/seal 1250' of txy B	565,300	0	14,133		14,133	537,035	537,035
051	Pierre Regional	IJA Replacement of runway 7/25 supplemental wind cones; demo and install new supplemental wi	95,300	0	2,382		2,382	90,535	90,535
019	Pine Ridge-Oglala Sioux	IJA Procure SRE plow with blower attachment	194,000	0	4,850		4,850	184,300	184,300
016	Platte Municipal	IJA ALP update, master plan and approach survey	315,790	0	7,895		7,895	300,000	300,000
017	Platte Municipal	AIP Construct installation of AWOS III	365,000	346,750	9,125		9,125	0	346,750
004	Presho	IJA Develop new ALP and master plan	203,685	0	5,092		5,092	193,500	193,500
	Rapid City Regional	State Terminal	3,460,644			3,460,644			0
069	Rapid City Regional	AIP Terminal renovation and expansion project 1 phase 1, 2, 3 TSA checkpoint, ticketing and baggage	21,052,632	20,000,000	0		1,052,632	0	20,000,000
067	Rapid City Regional	BIL Terminal expansion phase 4; TSA checkpoint, ticketing and baggage.	5,850,378	0	0		292,519	5,557,859	5,557,859
021	Rosebud Sioux Tribal	AIP construct hangar taxilane extension -	435,000	413,250	10,875		10,875	0	413,250
031	SDDOT	Statewide PM	882,206	838,095	22,055		22,055	0	838,095
067	Sioux Falls-Joe Foss Field	IJA Phase 2 expand terminal building.	9,836,645	0	0		983,665	8,852,980	8,852,980
	Sioux Falls-Joe Foss Field	State Terminal	2,910,283			2,910,283			0
068	Sioux Falls-Joe Foss Field	IJA ATP phase 3 expand Terminal building; 53,852 S.F.	8,421,053	0	0		421,053	8,000,000	8,000,000
065	Sioux Falls-Joe Foss Field	AIP Phase 2 East cargo apron construction and expansion; phase 1 construction expand terminal i	12,029,166	10,826,250	601,459		601,459	0	10,826,250
066	Sioux Falls-Joe Foss Field	AIP construct Terminal apron expansion phase 2 (28,127 SY), construct taxilane phase 1	9,366,305	8,429,674	468,316		468,316	0	8,429,674
023	Sisseton Municipal	BIL Expand apron phase 3, engineering services for apron and taxilane.	340,000	0	8,500		8,500	323,000	323,000
022	Sisseton Municipal	AIP Reconstruct taxilane phase 2	626,000	594,700	15,650		15,650	0	594,700
038	Spearfish - Clyde Ice Field	IJA Design GA apron for terminal and final phase for engineering services for terminal constructio	778,948		0		38,948	740,000	740,000
	Spearfish - Clyde Ice Field	State Terminal	1,319,073			1,319,073			0
016	Springfield Municipal	AIP reconstruction of partial apron rehab	224,088	212,882	5,603		5,603	0	212,882
015	Springfield Municipal	IJA Reconstruct 840 Sq Yards of terminal apron	113,685	0	2,842		2,842	108,000	108,000
025	Sturgis Municipal	AIP design/construct parallel taxiway 1,131' x 35'.	1,157,895	1,100,000	28,948		28,948	0	1,100,000
023	Sturgis Municipal	BIL terminal building remodel, interior, expand pilot briefing area and two restrooms.	271,959	0	0		13,598	258,360	258,360
	Sturgis Municipal	State Terminal	210,000			210,000			0
024	Sturgis Municipal	AIP construct parallel taxiway - phase 1 design, construction, engineering.	3,244,357	3,082,139	81,109		81,109	0	3,082,139
024	Tea - Lincoln County	AIP Design Reconstruction of taxilane	157,895	150,000	3,948		3,948	0	150,000
023	Vermillion-Harold Davidson Field	IJA Phase 3 reconstruction taxiway A lighting	175,000	0	4,375		4,375	166,250	166,250
022	Vermillion-Harold Davidson Field	AIP phase 2 Reconstruct partial parallel taxiway A and construction engineering.	1,550,000	1,472,500	38,750		38,750	0	1,472,500
016	Wall Municipal	BIL GA apron and hangar area expansion and taxilane design	103,158	0	2,579		2,579	98,000	98,000
	Watertown Regional	State Terminal	900,000			900,000			0
047	Watertown Regional	AIP Construct taxiways B and C, including B lighting.	3,932,037	3,735,435	98,301		98,301	0	3,735,435
019	Webster Municipal - Sigvard Anders	AIP Fuel system phase 4, site work	95,000	90,250	0		4,750	0	90,250
			<b>110,274,644</b>	<b>60,824,369</b>	<b>1,781,424</b>	<b>10,000,000</b>	<b>4,793,925</b>	<b>32,874,922</b>	<b>93,699,291</b>

# AERONAUTICS FUND BALANCE



\*JUNE, 2021: INCREASE IN AERO FUNDS (\$4.0M) DUE TO SB64 FROM STATE'S GENERAL FUND  
 \*SEPT, 2021: INCREASE IN AERO FUNDS (\$1.25M) DUE TO SALE OF KA90 II  
 \*DEC, 2021: INCREASE IN AERO FUNDS (\$1.81M) DUE TO SALE OF KA200  
 \*JUNE, 2022: DECREASE IN AERO FUNDS (\$3.06M) DUE TO TRANSFER OUT OF SALE OF KA 90II & KA200

Updated as of 10/09/25

## AERONAUTICS FUND PROJECTIONS EXCLUDING CITY ALLOCATION

