



## 2026 South Dakota Legislature

# Senate Bill 205

Introduced by: **Senator Voita**

1 **An Act to revise registration fees for drones and establish a fund to support drone**  
 2 **aviation.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That § 50-11-19 be AMENDED:**

5 **50-11-19.** In addition to all other registration fees paid to the department, an  
 6 additional original registration tax of four percent, based upon the purchase price of ~~the~~  
 7 any aircraft except a drone, shall must be paid to the department, along with the  
 8 application for the original registration of an aircraft. For an initial registration of aircraft  
 9 manufactured and used exclusively for agricultural purposes, except for a drone used in  
 10 agriculture, the registration tax under this section is three percent.

11 Aircraft subject to the tax imposed by this chapter are exempt from taxes imposed  
 12 by chapters 10-45 and 10-46. Aircraft used under a use stamp or dealer certificate, or  
 13 engaged in regularly scheduled flying consisting of an act of interstate or foreign  
 14 commerce, are exempt from the taxes imposed by chapters 10-45 and 10-46.

15 Failure to pay the registration tax under this section within thirty days after an  
 16 aircraft is operated in this state is a Class 2 misdemeanor. Failure to pay the registration  
 17 tax within ninety days of the due date ~~shall result~~ results in a civil penalty of one-half  
 18 percent of the tax due for each month, or portion of the month, until the tax is paid in  
 19 accordance with this chapter, not to exceed five percent of the tax due. A civil penalty  
 20 imposed under this section ~~shall must~~ be deposited into the aeronautics fund.

21 The original registration tax for a drone is as set forth in section 2 of this Act.

22 **Section 2. That a NEW SECTION be added to chapter 50-11:**

23 The original registration tax for a drone, as defined in § 50-1-1, based upon the  
 24 purchase price of the aircraft, is as follows:

- 1        (1) For a drone manufactured and used exclusively for agricultural purposes, one and  
2            one-half percent; and  
3        (2) For all other drones, two percent.

4            Notwithstanding the provisions of §§ 50-11-19 and 50-11-21, the registration tax  
5        collected for the registration of a drone in this state, is designated to the drone aviation  
6        fund created in section 3 of this Act. Upon receipt of the original registration tax, the  
7        department shall forward it to the state for deposit in the drone aviation fund.

8            Failure to pay the registration tax under this section within thirty days after a drone  
9        is operated in this state is a Class 2 misdemeanor. Failure to pay the registration tax within  
10       ninety days of the due date is punishable by a civil penalty of one-half percent of the tax  
11       due for each month, or portion of the month, until the tax is paid, not to exceed five  
12       percent of the tax due. A civil penalty imposed under this section must be deposited into  
13       the drone aviation fund.

14           This section is not applicable to a small unmanned aircraft, as defined in § 50-1-1.  
15       The aircraft registration requirements of this state do not apply to small unmanned aircraft  
16       systems pursuant to § 50-11-29.

17        **Section 3. That a NEW SECTION be added to chapter 50-11:**

18           There is created in the state treasury the drone aviation fund. The fund consists of  
19        all fees imposed on drones pursuant to chapter 50-11 and all other moneys designated  
20        for deposit in the fund.

21           The Board of Technical Education shall administer the fund for the purpose of  
22        awarding grants to support training in drone aviation through the technical colleges in this  
23        state. Interest on moneys credited to the fund must remain in the fund. Expenditures from  
24        the fund must be budgeted through the general appropriation bill.

25        **Section 4. That a NEW SECTION be added to chapter 50-11:**

26           The commission may prescribe forms and promulgate rules pursuant to chapter 1-  
27        26 for the ascertainment, assessment, and collection, of the original registration tax  
28        imposed by section 2 of this Act.