

# 2022 Pennington County, SD – County Highway & Wheel Tax Information

Counties in South Dakota are required by the State Legislature to adopt a wheel tax in order to be eligible to receive funding from the State’s Local Bridge Improvement Grant (BIG) Fund for the construction, reconstruction and repair of bridges.

Between 2015 – 2020 Pennington County had a direct loss in bridge funding opportunities from the State for not having a wheel tax. Taxpayers contribute daily to the BIG Fund through motor fuel taxes, ethyl alcohol taxes, motor vehicle excise taxes and license plate fees. In 2021, Pennington County implemented a wheel tax that is currently \$2/wheel with a \$24/vehicle maximum which generated \$1.4 million. SDCL 32-5A-1 allows up to a \$5/wheel rate with a maximum of \$60/vehicle.

BIG Grants are awarded based upon a points system. Counties with \$5/wheel tax rate get a full 10 points. Pennington County only gets 4 points with a \$2/wheel tax rate. Grant applications are being submitted with a higher local County tax dollar match in order to make up for points lost due to the wheel tax being set at the minimum rate.

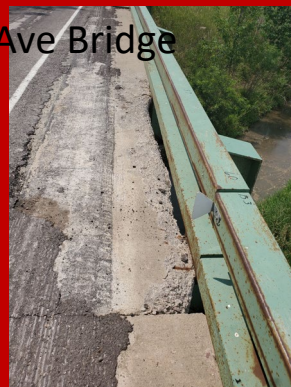
Inflation, material and fuel costs have increased construction costs significantly, reducing the amount of work that can be done in a year with current funding sources. The average cost of bridge replacements has increased approximately \$250,000 since 2020. The current wheel tax revenue has never been sufficient to support Pennington County’s road and bridge work needs. Increasing the wheel tax to \$5/wheel could generate an additional \$2.2 million in funding for roads and bridges as well as increase opportunities in State grant applications without raising local matching dollars. Since implementing the wheel tax in 2021, Pennington County has successfully been awarded 3 bridge replacement grants and 4 bridge preservation grants in the amount of \$2,088,500.



164<sup>th</sup> Ave Bridge



161<sup>st</sup> Ave Bridge



Nemo Road Bridge

## County Highway System

- 836 Miles of Road (494 Gravel/342 Hard Surface)
- 127 Bridges
- 3,475 Culverts
- 135 Livestock Guards

Revenue generated by wheel tax is deposited into the Road and Bridge Fund and may only be used for road and bridge maintenance and construction.

The wheel tax is a critical means of funding utilized to provide a safe means of travel for all industries and citizens in Pennington County.

## County Bridge Overview

- Average life Span of bridge is 50-70 years
- 44 Bridges replaced between 1972-1974 due to the flood
- 68 Bridges over 50 years old
- 21 Bridges between 45-50 years old
- 18 Bridges in poor condition (Based upon National Bridge Inspection Standards)
- 22 Bridges with posted load limits
- 27 Bridges on 13 roads provide only means of ingress/egress
- **89 Bridges need replacement in the next 25 years – In order to accomplish this, the County must budget \$3,570,000 annually (an increase from \$1,500,000 in 2020 due to inflation and rising construction costs)**

## Estimated 2021 Vehicle Registration Cost Comparison

	2015 Chevrolet Suburban
SD	\$118.00 (current rate)
SD	\$130.00 (at a \$5 wheel tax rate)
WY	\$326.00
CO	\$489.00
MN	\$853.00

## SD County Wheel Tax Rates 66 Counties

27 Counties	\$5.00 per wheel
17 Counties	\$4.00 per wheel
1 County	\$3.00 per wheel
15 Counties	\$2.00 per wheel
6 Counties	No wheel tax