



## 2026 South Dakota Legislature

# Senate Bill 135

SENATE ENGROSSED

Introduced by: **Senator Karr**

1 **An Act to protect residents from increased utility costs and utility shortages caused**  
 2 **by data centers and clarify authority to regulate data centers.**

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

4 **Section 1.** This Act is known as the "Data Center Bill of Rights for Citizens."

5 **Section 2. That a NEW SECTION be added to a NEW CHAPTER in title 49:**

6 For purposes of this chapter, "data center" means a centralized repository for the  
 7 dissemination, management, processing, and storage of electronic data and information.

8 **Section 3. That a NEW SECTION be added to a NEW CHAPTER in title 49:**

9 The operator of a data center shall pay for all fair, just, and reasonable costs  
 10 associated with the provision of electricity to the data center.

11 A provider of electricity shall establish and maintain separate terms and conditions  
 12 for electric service applicable to a data center. The terms and conditions must require that  
 13 the data center reimburse any provider of electricity for all costs fairly attributed to the  
 14 data center for service demand and utility consumption, including costs incurred to serve  
 15 the data center if the data center departs the system or materially reduces its load.

16 **Section 4. That a NEW SECTION be added to a NEW CHAPTER in title 49:**

17 The state may not preempt or otherwise limit the authority of the governing body  
 18 of a county, municipality, or other political subdivision to adopt ordinances and resolutions  
 19 limiting, prohibiting, or otherwise regulating the construction, development, or operation  
 20 of data centers.

21 **Section 5. That a NEW SECTION be added to a NEW CHAPTER in title 49:**

1 Prior to commencing operation in this state, the operator of a data center shall  
2 provide notice of projected water consumption to each local water provider in the area in  
3 which the data center is proposed to be located. Each water provider receiving notice  
4 pursuant to this section shall determine whether the data center's projected water  
5 consumption is compatible with the local water supply and issue that determination in  
6 writing to the operator. The operator shall present a copy of each notice and determination  
7 to the Board of Water Management.

8 If the board receives a determination from each applicable water provider that the  
9 data center's projected water consumption is compatible with the local water supply, the  
10 board must issue, to the operator and the general public, a written statement that the  
11 operator has satisfied the requirements of this section.

12 Notwithstanding the board's issuance of a written statement pursuant to this  
13 section, the data center may not consume an amount of the local water supply exceeding  
14 limits established by order of the board, after allocation to residential and essential public  
15 services. In establishing allocation limits under this section, the board shall seek to ensure  
16 water availability and prevent disproportionate use of water by data centers.

17 **Section 6. That a NEW SECTION be added to a NEW CHAPTER in title 49:**

18 The operator of a data center that is authorized to operate in this state pursuant  
19 to this chapter, shall, at the time and in the manner prescribed by the Board of Water  
20 Management, submit to the board a semi-annual report regarding the data center's water  
21 use. The report must contain average usage data and certify compliance with this section.  
22 The board shall make the usage data contained in the report available to the public.