



2026 South Dakota Legislature

Senate Bill 36

HOUSE COMMERCE AND ENERGY ENGROSSED

Introduced by: **Senator Kolbeck (Steve)**

1 **An Act to authorize certain utilities to establish wildfire mitigation plans and**
 2 **associated liability limitations for wildfire damages.**

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

4 **Section 1. That a NEW SECTION be added to a NEW CHAPTER in title 49:**

5 Terms used in this chapter mean:

6 (1) "Approval authority," in the case of an electric cooperative, its board of directors,
 7 or in the case of a municipal utility, its city council or city commission, as the case
 8 may be;

9 (2) "Commission," the Public Utilities Commission of the State of South Dakota;

10 (3) "Economic loss," monetary loss, including losses resulting from medical expenses,
 11 business interruption, loss of business, loss of use of property, and loss due to
 12 death and burial costs;

13 (4) "Qualified utility," includes:

14 (a) Any electric utility defined in subdivision 49-34A-1(7); and

15 (b) Any person who is a wholesale generator of electricity and who operates
 16 electrical transmission;

17 (5) "Wildfire," an unplanned, unwanted fire burning in this state that:

18 (a) May impact, damage, or cause harm, including to natural resources,
 19 agricultural resources, homes, and property; or

20 (b) Threatens lives and safety; and

21 (6) "Wildfire mitigation plan," a plan submitted to and approved by the approval
 22 authority or published by the commission in accordance with the requirements of
 23 this chapter.

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

1 A qualified utility that is not an electric cooperative or municipal utility may submit
2 a wildfire mitigation plan to the commission for filing and publishing. The commission shall
3 file and publish on its website all wildfire mitigation plans submitted to it within one
4 hundred twenty days of receipt. An amendment to a qualified utility's wildfire mitigation
5 plan may also be submitted pursuant to this chapter and is subject to the same process
6 and requirements.

7 A wildfire mitigation plan submitted to the commission must contain an attestation
8 signed by an officer of the utility submitting the plan. The attestation must contain a
9 statement certifying that the plan contains all provisions required by this chapter.
10 Publication of a wildfire mitigation plan or annual report by the commission is a
11 determination that the wildfire mitigation plan contains the statutory elements and is
12 complete.

13 The commission may promulgate rules, pursuant to chapter 1-26, to further
14 implement the provisions of this section.

15 A qualified utility that is an electric cooperative or a municipal utility may submit a
16 wildfire mitigation plan to its approval authority for review and approval. The approval
17 authority shall act upon a submitted wildfire mitigation plan within one hundred twenty
18 days of submission. If approved, the electric cooperative or municipal utility must publish
19 the wildfire mitigation plan on its website.

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

21 A qualified utility with a published wildfire mitigation plan shall submit an annual
22 report detailing the qualified utility's compliance with its wildfire mitigation plan for the
23 previous calendar year to the commission or to its approval authority, no later than June
24 first of each year. The commission shall file and publish the report within sixty days of
25 receipt. The electric cooperative or municipal utility shall publish the report on its website
26 within sixty days of filing with the approval authority. The wildfire mitigation plan is valid
27 and current if it is on file and all annual reports are timely filed with the commission or
28 approval authority. The qualified utility shall file an update to the wildfire mitigation plan
29 at least once every two years.

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

31 A wildfire mitigation plan must include, at a minimum:

- 32 (1) A description of areas within the service territory or facility locations of the qualified
33 utility, which may be subject to a heightened risk of wildfire;

- 1 (2) A description of the procedures or strategies, standards, and time frames that the
 2 qualified utility will use to inspect and operate its infrastructure;
- 3 (3) A description of the procedures or strategies, and standards that the qualified utility
 4 will use to perform vegetation management;
- 5 (4) A description of the procedures or strategies for modifications or upgrades to
 6 electric facilities and preventative programs to reduce the risk of its electric
 7 facilities initiating a wildfire;
- 8 (5) A description of considerations or strategies for de-energizing power lines or
 9 modifying electric facility operations to mitigate potential wildfires, taking into
 10 consideration:
- 11 (a) The ability of the qualified utility to reasonably access the proposed
 12 powerline to be de-energized;
- 13 (b) The balance of the risk of wildfire with the need for continued supply of
 14 electricity to a community; and
- 15 (c) Any potential impact to public safety and first responders, as applicable;
- 16 (6) A description of the procedures or strategies the qualified utility intends to use to
 17 restore its electrical system in the event of a wildfire;
- 18 (7) A description of the estimated incremental costs, if any, for the implementation of
 19 the plan, including system improvements and upgrades;
- 20 (8) A description of community outreach and public awareness efforts before and
 21 during a wildfire season; and
- 22 (9) A description of coordination with applicable state or local wildfire agencies.
- 23 The procedures and standards under this section must comply with the 2023
 24 National Electrical Safety Code.

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

26 The commission may authorize a public utility as defined in subdivision 49-34A-
 27 1(12) to recover in rates all prudently incurred investments and expenditures, including
 28 the costs of capital, made to implement an approved wildfire mitigation plan.

29 Cost recovery for wildfire mitigation plan implementation may be allowed by the
 30 commission, notwithstanding any settlement agreement provisions that restrict a public
 31 utility's ability to seek rate relief.

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

1 A standard of strict liability may not be applied to a qualified utility in any cause of
2 action alleging that the qualified utility caused wildfire-related damages. A qualified
3 utility's facilities and activities may not be considered ultra-hazardous or abnormally
4 dangerous.

5 A plaintiff's sole remedy against a qualified utility for damages and losses resulting
6 from a wildfire is in this chapter.

7 Except as otherwise provided in this section, there is a rebuttable presumption in
8 any civil action that a valid and current wildfire mitigation plan is a reasonable and prudent
9 preparation for, and mitigation of, wildfire risk. A plaintiff may recover damages, as a
10 result of a wildfire from a qualified utility with a valid and current wildfire mitigation plan
11 only if the plaintiff proves one or both of the following by a preponderance of the evidence:

12 (1) The qualified utility failed to substantially comply with an essential element of a
13 valid and current wildfire mitigation plan, and that failure was the actual and
14 proximate cause of the damages to the plaintiff. For purposes of this subdivision,
15 a qualified utility is deemed to have substantially complied with its wildfire
16 mitigation plan if the qualified utility attempted to comply with the plan but was
17 denied or delayed access to a right-of-way after the qualified utility requested
18 access to the right-of-way to perform vegetation management or fire mitigation
19 work in accordance with the plan; or

20 (2) The qualified utility acted with malice or criminal intent, and the qualified utility's
21 malicious action or criminal intent was the actual and proximate cause of the
22 damages to the plaintiff.

23 A civil action filed against a qualified utility for damages caused by wildfire may
24 only be brought within four years after the date of the initial ignition of the wildfire.

25 A plaintiff in a civil action filed against a qualified utility for damages caused by
26 wildfire may recover economic losses and property damages but only under the conditions
27 of this chapter. The plaintiff may not recover noneconomic losses unless the plaintiff
28 suffered death, visible bodily injury, smoke inhalation, or a medically verifiable bodily
29 injury from a wildfire.

30 The plaintiff may not recover punitive damages unless it is proven by clear and
31 convincing evidence that the qualified utility engaged in willful and wanton misconduct
32 and the qualified utility's willful and wanton misconduct was the actual and proximate
33 cause of damages to the plaintiff.

34 The amount of damages recoverable for damage to real property, or buildings and
35 fixtures to real property, is the lesser of the cost to restore the property to the property's

1 pre-wildfire condition or the difference between the fair market value of the property
2 immediately before the wildfire and the fair market value of the property after the wildfire.

3 For personal property of all kinds, including livestock and growing crops, the
4 measure of damages is either the full market value, if the personal property has been
5 destroyed, or the reasonable expense of necessary repairs or treatment, plus loss of use,
6 if the personal property has been damaged or injured.

7 Nothing in this section may be construed to limit any defenses that a qualified
8 utility may be entitled to raise in a civil action for damages caused by wildfire.

9 The provisions of this section only apply to a qualified utility with a valid and current
10 wildfire mitigation plan as of the date of the initial ignition of the wildfire for which damages
11 are sought.

12 **Section 7. That a NEW SECTION be added to a NEW CHAPTER in title 49:**

13 A person who obtains payment for damages resulting from wildfire pursuant to a
14 policy of insurance is deemed to have been made whole exclusively for purposes of an
15 insurer's right to subrogation. In all other respects, the law of the state on matters of
16 subrogation is applicable.