

2025 South Dakota Legislature

Senate Bill 157**AMENDMENT 157C
FOR THE SENATE COMMERCE AND ENERGY ENGROSSED
BILL**

1 **An Act to ~~address labor trafficking in South Dakota~~require proof of workers'**
2 **compensation insurance for contractors of public improvement.**

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

4 **Section 1. That a NEW SECTION be added to chapter 5-18B:**

5 A contract for a public improvement, as defined in § 5-18A-1, between a contractor
6 and a purchasing agency, as defined in § 5-18A-1, must contain a provision requiring
7 verification that the contractor and all subcontractors on the project have obtained
8 workers' compensation insurance. Any public improvement that is subsidized by a
9 government entity, including through a grant or tax increment financing, is subject to the
10 requirements of this Act, regardless of whether the government entity directly contracts
11 for the public improvement.

12 **Section 2. That a NEW SECTION be added to chapter 5-18B:**

13 The Department of Labor and Regulation and the purchasing agency have authority
14 to investigate and monitor the status of workers' compensation insurance coverage and
15 payment of premiums by any contractor or subcontractor for a public improvement. The
16 contractor must provide, at the request of the department or purchasing agency:

- 17 (1) A list of all subcontractors involved with the public improvement;
18 (2) Payroll records of employees of the contractor and any subcontractors involved
19 with the public improvement; and
20 (3) Any other information necessary to ensure compliance with the requirements of
21 this Act or to prevent the occurrence of workers' compensation fraud in connection
22 with the public improvement.