



2025 South Dakota Legislature

Senate Bill 157

Introduced by: **Senator Peterson (Sue)**

1 **An Act to require proof of workers' compensation insurance for contractors of public**
2 **improvements and to establish procedures for verifying workers'**
3 **compensation coverage and premium payments.**

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

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

6 A contract for a public improvement, as defined in § 5-18A-1, between a contractor
7 and a purchasing agency, as defined in § 5-18A-1, must contain a provision requiring
8 verification that the contractor and all subcontractors on the project have obtained
9 workers' compensation insurance, as provided in title 62. Any public improvement that is
10 subsidized by a government entity, including through a grant or tax increment financing,
11 is subject to the requirements of this Act, regardless of whether the government entity
12 directly contracts for the public improvement.

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

14 The Department of Labor and Regulation and the purchasing agency have authority
15 to investigate and monitor the status of workers' compensation insurance coverage and
16 payment of premiums by any contractor or subcontractor for a public improvement. The
17 contractor must provide, at the request of the department or purchasing agency:
18 (1) A list of all subcontractors involved with the public improvement;
19 (2) Payroll records of employees of the contractor and any subcontractors involved
20 with the public improvement; and
21 (3) Any other information necessary to ensure compliance with the requirements of
22 this Act or to prevent the occurrence of workers' compensation fraud in connection
23 with the public improvement.