



## 2025 South Dakota Legislature

# Senate Bill 157

SENATE COMMERCE AND ENERGY ENGROSSED

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

1 **An Act to address labor trafficking in South Dakota.**

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

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

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

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

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