



2025 South Dakota Legislature

Senate Bill 157

SENATE ENGROSSED

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

1 **An Act to require proof of workers' compensation insurance for contractors of public**
 2 **improvements.**

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.