



2025 South Dakota Legislature

Senate Bill 62

HOUSE ENGROSSED

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: The Chair of the Committee on Judiciary at the request of the Attorney General

1 **An Act to establish mandatory reporting requirements related to improper**
2 **governmental conduct and crime, and to provide a penalty therefor.**

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

4 **Section 1. That § 1-56-11 be AMENDED:**

5 **1-56-11.** A state employee who ~~suspects the existence of a conflict of interest,~~
6 ~~fraud, or theft~~ has reasonable cause to suspect that improper governmental conduct or a
7 crime, as defined in section 2 of this Act, has occurred shall report the matter ~~immediately~~
8 ~~to any, of the following:~~

- 9 (1) ~~The employee's immediate supervisor;~~
10 (2) ~~The attorney general's office; or~~
11 (3) ~~The Department of Legislative Audit~~ pursuant to the requirements set forth in
12 chapter 3-6C.

13 **Section 2. That a NEW SECTION be added to chapter 3-6C:**

14 Terms used in this Act mean:

- 15 (1) "Adverse employment action," constructive or actual discharge, suspension from
16 employment, demotion, transfer, decrease in compensation or benefits, imposition
17 of an unfavorable work schedule, or any other similar reprisal or retaliatory action;
18 (2) "Conflict of interest," conduct defined or described in §§ 5-18A-17 to 5-18A-17.6,
19 inclusive, 42-7A-27, and 42-7A-28;
20 (3) "Crime," a criminal act attempted or committed by misusing a state employee's
21 access, duty, position, or responsibility as a state employee, which constitutes a
22 felony under state law;
23 (4) "Good faith report," a report made, without malice, by a reporter, which the
24 reporter has reasonable cause to believe is accurate and true;
25 (5) "Improper governmental conduct," any conduct or omission that results in:

- 1 (a) A conflict of interest prohibited by state law;
2 (b) Fraud; or
3 (c) Theft of moneys or property belonging to or derived from federal, state, or
4 local government sources, constituting a felony;
5 (6) "Reasonable cause," a sufficient reason, based on known facts, to assume
6 something is true;
7 (7) "Reporter," a state employee who witnesses or has evidence of improper
8 governmental conduct or a crime, and who makes a good faith report of the
9 improper governmental conduct or the crime, to a supervisor or other appropriate
10 authority;
11 (8) "Required report," a report required in accordance with section 3 of this Act and
12 pertaining to improper governmental conduct or a crime;
13 (9) "State agency," any agency, board, bureau, commission, committee, department,
14 division, or office of this state;
15 (10) "State employee," a full-time, part-time, seasonal, or temporary employee of any
16 state agency; and
17 (11) "Supervisor," a state employee with supervisory authority over one or more state
18 employees.

19 **Section 3. That a NEW SECTION be added to chapter 3-6C:**

20 A state employee who, in the regular course of the state employee's duties, has
21 reasonable cause to suspect that another state employee has engaged in improper
22 governmental conduct or a crime shall promptly notify a supervisor.

23 Upon receipt of a reporter's good faith report, a supervisor shall submit information
24 provided by the reporter to the attorney general and auditor-general in a required report
25 pursuant to section 4 of this Act.

26 The supervisor shall promptly submit to the attorney general and auditor-general
27 any record, as allowed by law, in the supervisor's custody or control, evidencing the
28 improper governmental conduct or crime.

29 A supervisor who knowingly fails to make a report as required by this section is
30 guilty of a Class 1 misdemeanor.

31 A supervisor who knowingly and intentionally fails to submit a record as required
32 by this section is guilty of a Class 1 misdemeanor.

33 **Section 4. That a NEW SECTION be added to chapter 3-6C:**

1 A supervisor who must submit a required report pursuant to section 3 of this Act
2 shall prepare the required report in a form prescribed by the attorney general.

3 The reporter shall cooperate with any investigation or inquiry initiated in response
4 to the filing of the required report.

5 Nothing in this section may be construed to prohibit the reporter from filing a
6 complaint pursuant to § 3-24-4.

7 **Section 5. That a NEW SECTION be added to chapter 3-6C:**

8 Each state agency shall adopt a written policy on reporting improper governmental
9 conduct and crime and submitting records evidencing the improper governmental conduct
10 or crime. Each state agency shall notify and inform state employees of the obligations and
11 protections set forth in the provisions of sections 1, 3, and 4 of this Act.

12 **Section 6. That a NEW SECTION be added to chapter 3-6C:**

13 The attorney general shall provide information to the Government Operations and
14 Audit Committee, on an annual basis, regarding the number of reports received pursuant
15 to sections 3 and 4 of this Act and the disposition of each report.