



2026 South Dakota Legislature

Senate Bill 86

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

1 **An Act to authorize purchasing agency verification and monitoring of workers'**
2 **compensation insurance coverage obtained by public improvement**
3 **contractors.**

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 Any contract for a public improvement between a contractor and a purchasing
7 agency, as those terms are defined in § 5-18A-1, must contain a provision authorizing the
8 purchasing agency to:

9 (1) Verify that the contractor has obtained workers' compensation insurance, as
10 provided in title 62, prior to the commencement of any contracted service; and

11 (2) Monitor the status of the contractor's workers' compensation insurance coverage
12 during the pendency of the contract by requesting that the contractor provide:

13 (a) Documentation showing the contractor's payment of workers' compensation
14 insurance premiums;

15 (b) A list of all subcontractors involved with the public improvement;

16 (c) Payroll records of the contractor's employees and any subcontractor's
17 employees involved with the public improvement; and

18 (d) Any other information deemed necessary by the purchasing agency to
19 prevent the occurrence of workers' compensation fraud in connection with
20 the public improvement.