

2026 South Dakota Legislature

Senate Bill 86**AMENDMENT 86C
FOR THE INTRODUCED BILL**

1 **An Act to ~~authorize purchasing agency verification and monitoring of workers'~~**
2 **~~compensation insurance coverage obtained~~ require that certain contracts**
3 **include a provision for the purchasing agency to verify and monitor workers'**
4 **compensation insurance carried by public improvement contractors.**

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

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

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

10 (1) Verify that the contractor has obtained workers' compensation insurance, as
11 provided in title 62, prior to the commencement of any contracted service ~~and~~
12 ~~whether, under the worker's compensation insurance policy, the contractor's~~
13 ~~estimated payroll is zero~~; and

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

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

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

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

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

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

- 1 If a contractor or a subcontractor fails to comply with any provision of a contract
- 2 for public improvement, which is required by this chapter, the purchasing agency may
- 3 terminate the contract for cause, recover any damages arising from the noncompliance,
- 4 and replace the contractor or subcontractor.

ANNEX D