

# 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.

ANNUAL STATEMENT