

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

680R0627

HOUSE BILL NO. 1158

Introduced by: Representatives Juhnke, Cronin, Feickert, Hunhoff (Bernie), and Rausch and
Senators Garnos, Gillespie, Maher, and Nelson

1 FOR AN ACT ENTITLED, An Act to require the prompt payment of certain suppliers of
2 property and services under a contract with a public agency.

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

4 Section 1. That § 5-26-6 be amended to read as follows:

5 5-26-6. Upon payment by an agency, a business which has acquired under contract, property
6 or services in connection with its contract with such agency from a subcontractor or supplier,
7 shall pay the subcontractor or supplier within thirty days after receiving payment from the
8 agency. Any such subcontractor shall pay any supplier to the subcontractor within thirty days
9 after receiving payment from the business. Interest at the rate of one and one-half percent per
10 month shall accrue and is due any subcontractor or supplier who is not paid within thirty days
11 after the business receives payment from the agency or after the subcontractor receives payment
12 from the business, unless otherwise provided by contract between the business and the
13 subcontractor or supplier or between the subcontractor and a supplier to the subcontractor.
14 Interest begins to accrue on the thirty-first day at the rate specified in this section. Payment shall
15 be due when the subcontractor or material supplier have satisfied the terms of their contract or



1 material delivery agreement.