

AN ACT

ENTITLED, An Act to revise certain provisions regarding the prompt payment act.

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

Section 1. That § 5-26-3 be amended to read:

5-26-3. Any proper invoice not paid within forty-five days shall accrue interest beginning on the thirtieth day after receipt of property or service and receipt of the invoice covering the delivered items or services. Interest shall accrue and be charged on any payment overdue under § 5-26-2 at the Category B rate of interest as established in § 54-3-16 or at the rate specified by contract.

Section 2. That § 5-26-5 be amended to read:

5-26-5. No interest accrues under this chapter if an agency's failure to timely pay interest required by § 5-26-3 is the result of a dispute between the agency and the business over the amount due or over compliance with the contract. In case of dispute, the agency shall, within thirty days of receipt of property or services and receipt of invoice, give written notice to the business of disagreement with property or services. The notice shall include the reasons for and other pertinent details of the dispute and a copy of the notice shall be kept on file with the agency.

Section 3. That § 5-26-6 be amended to read:

5-26-6. Upon payment by an agency, a business that has acquired under contract, property or services in connection with the business's contract with the agency from a subcontractor or supplier, shall pay the subcontractor or supplier within thirty days after receiving payment from the agency. Interest at the Category B rate of interest as established in § 54-3-16 shall accrue and is due any subcontractor or supplier who is not paid within thirty days after the business receives payment from the agency, unless otherwise provided by contract between the business and the subcontractor or supplier. Interest begins to accrue on the thirty-first day at the rate specified in this section. Payment is due when the subcontractor or material supplier has satisfied the terms of the contract or material

delivery agreement.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1050

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1050

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby
approved this \_\_\_\_\_ day of
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State