

State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

556N0556

HOUSE BILL NO. 1257

Introduced by: Representatives Cutler, Deadrick, Elliott, Engels, Krebs, Lust, Peters, Rave, Steele, and Weems and Senators Knudson, Gant, Garnos, Heidepriem, and Lintz

1 FOR AN ACT ENTITLED, An Act to reduce the minimum number of board members of trust
2 companies.

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

4 Section 1. That § 51A-6A-13 be amended to read as follows:

5 51A-6A-13. The business of any trust company shall be managed and controlled by its
6 governing board and includes the authority to provide for bonus payments, in addition to
7 ordinary compensation, for any of its officers and employees. The governing board shall consist
8 of not less than ~~five~~ three nor more than twelve members, all of whom shall be elected by the
9 owners of the trust company at any regular annual meeting that is held during the first one
10 hundred twenty days of each calendar year. If the number of board members elected is less than
11 twelve, the number of board members may be increased so long as the total number does not
12 exceed twelve. If the number is increased, the first additional board members may be elected
13 at a special meeting of the owners. The board members shall be elected and any vacancies filled
14 in the manner as provided in the provisions regarding general corporations or limited liability
15 companies, as applicable. At all times one of the directors shall be a resident of this state and



1 at least two-thirds of the directors shall be citizens of the United States. Any board member of
2 any trust company who becomes indebted to the trust company on any judgment shall forfeit the
3 position of board member, and the vacancy shall be filled as provided by law.