

AN ACT

ENTITLED, An Act to provide for the licensing of loan production offices.

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

Section 1. That § 51A-1-2 be amended to read as follows:

51A-1-2. Terms used in this title mean:

- (1) "Bank," any corporation authorized under this title to engage in the business of banking or in the combined business of a bank and trust company or in the combined business of a bank with trust powers;
- (2) "Bank holding company," a bank holding company as defined in 12 U.S.C. 1841, as amended as of January 1, 1988;
- (3) "Banking," the business of receiving deposits, discounting commercial paper, or buying and selling exchange, and any other activity authorized by this title;
- (4) "Banking day," that part of any day on which a bank is open to the public for carrying on substantially all of its banking functions;
- (5) "Branch bank," a branch place of business maintained by a bank to conduct its banking business;
- (6) "Commission," the State Banking Commission;
- (7) "Deputy director," the deputy director of the Division of Banking;
- (8) "Director," the director of the Division of Banking;
- (9) "Division," the Division of Banking of the Department of Commerce and Regulation;
- (10) "Executive officer," every officer who participates or has authority to participate, otherwise than in the capacity of a director, in major policy-making functions of the bank, regardless of whether the officer has an official title or whether the officer's title contains a designation of assistant and regardless of whether the officer is serving without salary or other compensation. The chairman of the board, the president, every vice-president, the

cashier, secretary, and treasurer of a bank are assumed to be executive officers, unless, by resolution of the board of directors or by the bank's bylaws, any such officer is excluded from participation in major policy-making functions, otherwise than in the capacity of a director of the bank, and the officer does not actually participate therein;

- (11) "Fully defeased bonds or notes," obligations issued by any state, or municipal or school district subdivision the repayment of which has been irrevocably guaranteed by other securities which securities are issued by or are fully guaranteed by the United States Government;
- (12) "National bank," any corporation organized pursuant to 12 U.S.C. § 21, as amended as of January 1, 1990;
- (13) "Loan production office," an office in this state which is apart from its main bank or branch which is staffed or controlled by a bank and is where loans are solicited but are not approved or disbursed.

Section 2. That § 51A-2-16 be amended to read as follows:

51A-2-16. The commission shall pass upon every application to organize or change the control of a bank under the laws of this state, every application for merger, and every application to establish or close a branch bank, every application to establish a loan production office, or change of location. However, if an applicant requests a change of location within a community in which it is the sole bank, the director of banking may approve the application without notice or hearing before the commission. All proceedings before the commission on every such application shall be held in conformance with chapter 1-26. If the application involves establishment of any kind of competitive banking service in the trade territory of a bank in which any banking commissioner is interested, the commissioner shall be deemed disqualified; and the commission shall be recomposed as provided in § 51A-2-11.

An Act to provide for the licensing of loan production offices.

=====

I certify that the attached Act
originated in the

HOUSE as Bill No. 1045

Chief Clerk

=====

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1045

File No. _____

Chapter No. _____

=====

Received at this Executive Office
this ____ day of _____ ,

19__ at ____ M.

By _____
for the Governor

=====

The attached Act is hereby
approved this _____ day of
_____, A.D., 19__

Governor

=====

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

Filed _____, 19__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State