

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

400B0261

HOUSE COMMERCE COMMITTEE ENGROSSED NO. **HB1045** - 1/26/98

Introduced by: The Committee on Commerce at the request of the Department of Commerce
and Regulation

1 FOR AN ACT ENTITLED, An Act to provide for the licensing of loan production offices.

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

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

4 51A-1-2. Terms used in this title mean:

- 5 (1) "Bank," any corporation authorized under this title to engage in the business of
6 banking or in the combined business of a bank and trust company or in the combined
7 business of a bank with trust powers;
- 8 (2) "Bank holding company," a bank holding company as defined in 12 U.S.C. 1841, as
9 amended as of January 1, 1988;
- 10 (3) "Banking," the business of receiving deposits, discounting commercial paper, or
11 buying and selling exchange, and any other activity authorized by this title;
- 12 (4) "Banking day," that part of any day on which a bank is open to the public for carrying
13 on substantially all of its banking functions;
- 14 (5) "Branch bank," a branch place of business maintained by a bank to conduct its
15 banking business;

- 1 (6) "Commission," the State Banking Commission;
- 2 (7) "Deputy director," the deputy director of the Division of Banking;
- 3 (8) "Director," the director of the Division of Banking;
- 4 (9) "Division," the Division of Banking of the Department of Commerce and Regulation;
- 5 (10) "Executive officer," every officer who participates or has authority to participate,
6 otherwise than in the capacity of a director, in major policy-making functions of the
7 bank, regardless of whether ~~he~~ the officer has an official title or whether ~~his~~ the
8 officer's title contains a designation of assistant and regardless of whether ~~he~~ the
9 officer is serving without salary or other compensation. The chairman of the board,
10 the president, every vice-president, the cashier, secretary, and treasurer of a bank are
11 assumed to be executive officers, unless, by resolution of the board of directors or by
12 the bank's bylaws, any such officer is excluded from participation in major
13 policy-making functions, otherwise than in the capacity of a director of the bank, and
14 ~~he~~ the officer does not actually participate therein;
- 15 (11) "Fully defeased bonds or notes," obligations issued by any state, or municipal or
16 school district subdivision the repayment of which has been irrevocably guaranteed
17 by other securities which securities are issued by or are fully guaranteed by the United
18 States Government;
- 19 (12) "National bank," any corporation organized pursuant to 12 U.S.C. § 21, as amended
20 as of January 1, 1990;
- 21 (13) "Loan production office," an office in this state which is apart from its main bank or
22 branch which is staffed or controlled by a bank and is where loans are solicited but are
23 not approved or disbursed.

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

25 51A-2-16. The commission shall pass upon every application to organize or change the

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

1 **BILL HISTORY**

2 1/13/98 First read in House and referred to Commerce. H.J. 28

3 1/22/98 Scheduled for Committee hearing on this date.

4 1/22/98 Commerce Do Pass Amended, Passed, AYES 13, NAYS 0. H.J. 177

5 1/22/98 Commerce Place on Consent Calendar.