

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

733H0446

HOUSE BILL NO. 1075

Introduced by: Representatives Hansen (Tom) and Brown (Richard) and Senators Munson and Sutton (Dan)

1 FOR AN ACT ENTITLED, An Act to provide for a bank's investment limitations.

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

3 Section 1. That chapter 51A-4 be amended by adding thereto a NEW SECTION to read as
4 follows:

5 A bank may without limitation as to its capital stock and surplus, make investments designed
6 primarily to promote the public welfare, including the welfare of low and moderate income
7 communities or families. A bank may make such investments directly or by purchasing interests
8 in an entity primarily engaged in making such investments. No bank may make any such
9 investment if the investment would expose the bank to unlimited liability. The commission shall
10 limit a bank's investments in any one project and a bank's aggregate investments under this
11 section. A bank's aggregate investments under this section may not exceed an amount equal to
12 the sum of five percent of the bank's capital stock actually paid in and unimpaired and five
13 percent of the bank's unimpaired surplus fund, unless the commission determines by order that
14 the higher amount will not pose a significant risk to the bank and the bank is adequately
15 capitalized. In no case may a bank's aggregate investments under this section exceed an amount



- 1 equal to the sum of ten percent of the bank's capital stock actually paid in and unimpaired and
- 2 ten percent of the bank's unimpaired surplus fund.