

AN ACT

ENTITLED, An Act to provide for a bank's investment limitations.

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

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

A bank may make investments designed primarily to promote the public welfare, including the welfare of low and moderate income communities or families. A bank may make such investments directly or by purchasing interests in an entity primarily engaged in making such investments. No bank may make any such investment if the investment would expose the bank to unlimited liability. The commission shall limit a bank's investments in any one project and a bank's aggregate investments under this section. A bank's aggregate investments under this section may not exceed an amount equal to the sum of five percent of the bank's capital, surplus, and undivided profits, unless the commission determines by order that the higher amount will not pose a significant risk to the bank and the bank is adequately capitalized. In no case may a bank's aggregate investments under this section exceed an amount equal to the sum of ten percent of the bank's capital stock actually paid in and unimpaired and ten percent of the bank's unimpaired surplus fund.

An Act to provide for a bank's investment limitations.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1075

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1075
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