

AN ACT

ENTITLED, An Act to revise certain bond and insurance requirements for trust companies.

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

Section 1. That § 51A-6A-18 be repealed.

Section 2. That § 51A-6A-19 be amended to read as follows:

51A-6A-19. For purposes of this section, the capital of a trust company is the total of the aggregate par value of its outstanding shares of capital stock or ownership units, its surplus, and its undivided profits. The minimum capital of a trust company shall be two hundred thousand dollars. The commission may require that the trust company have more capital than the amount specified if the commission determines that the amount and character of the anticipated business of the trust company and the safety of the customers so require. This chapter recognizes that capital for a trust company serves a different purpose than does capital for a bank. It is not intended that capital requirements for trust companies be judged by the same standards as banks. Basic protection for fiduciary clients of a trust company shall be provided by the purchase of a surety bond or a fidelity bond, or both. The bond shall be in an amount of not less than one million dollars. Any bond required to be secured by a trust company shall provide that the bonding company providing the bond shall give at least ninety days notice of cancellation or renewal of the bond to the trust company and to the director. Except as may be provided elsewhere in this chapter, no trust company may reduce voluntarily its capital stock or ownership units or surplus below the amount required in this section.

An Act to revise certain bond and insurance requirements for trust companies.

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I certify that the attached Act
originated in the
HOUSE as Bill No. 1078

\_\_\_\_\_  
Chief Clerk
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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1078  
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