

# State of South Dakota

SEVENTY-SEVENTH SESSION  
LEGISLATIVE ASSEMBLY, 2002

733H0446

SENATE COMMERCE COMMITTEE ENGROSSED NO.

**HB 1075** - 02/12/2002

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



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