

AN ACT

ENTITLED, An Act to allow banks to purchase fractional shares of common stock for the purpose of canceling the fractional shares.

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

Section 1. That § 51A-3-27 be amended to read as follows:

51A-3-27. No bank may make any purchase money loans or discounts on the security of the shares of its own capital stock, or on the shares of its parent holding company, nor be the purchaser or holder of any such shares unless such security or purchase is necessary to prevent loss upon a debt previously contracted in good faith. Stock so purchased or acquired shall, within six months of the time of its purchase, be sold or disposed of at public or private sale, and if not disposed of within that time, may no longer be included in the assets of such bank. However, a bank may purchase for fair value fractional shares of a bank's common stock from the holders thereof pursuant to the provisions set forth in Title 47 for the purpose of canceling the fractional shares if the bank meets all capital requirements after cancellation of the fractional shares.

An Act to allow banks to purchase fractional shares of common stock for the purpose of canceling the fractional shares.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1185

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. 1185
File No. _____
Chapter No. _____

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Received at this Executive Office this ____ day of _____ ,

19__ at ____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 19__

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 19__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State