

AN ACT

ENTITLED, An Act to grant state-chartered banks powers allowed federally chartered banks under certain conditions.

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

Section 1. That chapter 51A-2 be amended by adding thereto a NEW SECTION to read as follows:

Notwithstanding any restrictions, limitations, and requirements of law, in addition to all powers, expressed or implied, that a state bank has under the laws of this state, a state bank shall have the powers and authorities conferred as of January 1, 1999, upon federally chartered banks doing business in this state. A state bank may exercise the powers and authorities conferred on a federally chartered bank after this date only if the director finds that the exercise of such powers and authorities:

- (1) Serves the convenience and advantage of depositors, borrowers, or the general public; and
- (2) Maintains the fairness of competition and parity between state chartered and federally chartered banks.

If the director finds that the before-mentioned conditions have been met, the director shall make a declaratory ruling allowing state banks the same powers and authorities.

As used in this section, powers and authorities, include, without limitation, powers and authorities in corporate governance and operational matters.

Section 2. That chapter 51A-2 be amended by adding thereto a NEW SECTION to read as follows:

The restrictions, limitations, and requirements applicable to specific powers or authorities of federally chartered banks apply to state banks exercising those powers or authorities permitted under section 1 of this Act but only insofar as the restrictions, limitations, and requirements relate to exercising the powers or authorities granted banks solely under section 1 of this Act.

Section 3. That § 51A-2-14 be amended to read as follows:

51A-2-14. The commission may adopt rules under its jurisdiction:

- (1) To authorize banks to participate in any public agency hereafter created under the laws of this state or the United States, the purpose of which is to afford advantages or safeguards to banks or to depositors, and to comply with all requirements and conditions imposed upon such participants;
- (2)
- (3) To allow banks to engage in any other banking or nonbanking activities, not prohibited by state law, which the commission deems appropriate; and
- (4) To authorize banks to use new or different forms of accepting deposits, making loans, transferring funds, offering services and such other subjects as it deems appropriate.

In adopting rules pursuant to this section, the commission shall adopt only such rules that, in the opinion of the commission, promote competitive equality between state chartered banks, national banks and other financial institutions.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1047

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. 1047
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