

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

526C0462

HOUSE COMMERCE COMMITTEE ENGROSSED NO. **HB1142** - 2/5/99

Introduced by: Representatives Broderick, Pummel, and Solum and Senators Munson (David) and Duxbury

1 FOR AN ACT ENTITLED, An Act to permit an increased proportion of a bank's stock and
2 surplus to be invested in the value of the premises.

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

4 Section 1. That § 51A-4-9 be amended to read as follows:

5 51A-4-9. Except as provided in §§ 51A-4-10 and 51A-4-31 to 51A-4-41, inclusive, a bank
6 may lease, purchase, hold, and convey in its own name, or through investment in a corporation
7 organized solely to lease such property to it, only the following real property:

8 (1) That which it occupies or intends to occupy for the transaction of its business or
9 which it partly so occupies and partly rents or leases to others;

10 (2) That which is used for accommodation in the transaction of the bank's business,
11 including ~~but not limited to~~, parking, storage and preservation of records, and data
12 processing facilities;

13 (3) That which is used for housing or recreation accommodations for attracting and
14 retaining employees.

15 All such accommodations shall be of a reasonable nature.

16 The book value of a bank's ~~real property, furniture, equipment and fixtures~~ premises may not

1 exceed in the aggregate one hundred fifty percent of the bank's capital stock and surplus;
2 ~~provided that upon formal application and investigation by him.~~ However, the director may
3 authorize a larger investment, upon formal application and after an investigation, if the sound
4 conduct of banking will not ~~thereby~~ be adversely affected by the larger investment. For the
5 purposes of this section, book value includes those amounts which are to be reported as premises
6 and fixed assets according to the instructions for consolidated reports of condition filed with the
7 division.

1 **BILL HISTORY**

2 1/25/99 First read in House and referred to Commerce. H.J. 173

3 2/4/99 Scheduled for Committee hearing on this date.

4 2/4/99 Commerce Do Pass Amended, Passed, AYES 12, NAYS 0. H.J. 363

5 2/4/99 Commerce Place on Consent Calendar.