

AN ACT

ENTITLED, An Act to allow state chartered banks to expand their investment options to include certain annuities.

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

Section 1. That § 51A-4-25 be amended to read as follows:

51A-4-25. A bank may purchase for its own account investment securities and registered mutual funds that invest exclusively in securities of the United States or its agencies and annuities as defined in section 2 of this Act under such limits and restrictions as the commission may prescribe by rule, promulgated pursuant to chapter 1-26. In no event may the total amount of the investment securities of any one obligor or maker held by the bank for its own account exceed twenty percent of the capital stock and surplus and ten percent of the undivided profits of such bank except as provided in §§ 51A-4-26 and 51A-4-31 to 51A-4-41, inclusive.

Section 2. That chapter 51A-4 be amended by adding thereto a NEW SECTION to read as follows:

For the purposes of § 51A-4-25, an annuity is an investment that credits interest from the inception of the contract, has an interest guarantee period that may be from thirty days to one year in length, and is backed by the assets of the insurer. The insurer shall be rated in the top three categories of both Standard and Poor's Corporation and Moody's Investors Service. The annuity shall be fully liquid and may not be subject to any surrender charges or any other restrictions on redemptions.

An Act to allow state chartered banks to expand their investment options to include certain annuities.

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I certify that the attached Act
originated in the

SENATE as Bill No. 136

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 136
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