

# State of South Dakota

SEVENTY-SEVENTH SESSION  
LEGISLATIVE ASSEMBLY, 2002

439H0613

## SENATE BILL NO. 142

Introduced by: Senator Whiting and Representative Brown (Jarvis)

1 FOR AN ACT ENTITLED, An Act to allow certain trusts to be shareholders in certain  
2 professional organizations.

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

4 Section 1. That chapter 47-11 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
7 in a corporation or limited liability company organized under this chapter, for so long as the  
8 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
9 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
10 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
11 directly owned by the grantor of the trust.

12 Section 2. That chapter 47-11A be amended by adding thereto a NEW SECTION to read  
13 as follows:

14 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
15 in a corporation or limited liability company organized under this chapter, for so long as the



1 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
2 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
3 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
4 directly owned by the grantor of the trust.

5 Section 3. That chapter 47-11B be amended by adding thereto a NEW SECTION to read  
6 as follows:

7 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
8 in a corporation or limited liability company organized under this chapter, for so long as the  
9 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
10 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
11 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
12 directly owned by the grantor of the trust.

13 Section 4. That chapter 47-11C be amended by adding thereto a NEW SECTION to read  
14 as follows:

15 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
16 in a corporation or limited liability company organized under this chapter, for so long as the  
17 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
18 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
19 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
20 directly owned by the grantor of the trust.

21 Section 5. That chapter 47-11D be amended by adding thereto a NEW SECTION to read  
22 as follows:

23 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
24 in a corporation or limited liability company organized under this chapter, for so long as the

1 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
2 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
3 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
4 directly owned by the grantor of the trust.

5 Section 6. That chapter 47-11E be amended by adding thereto a NEW SECTION to read  
6 as follows:

7 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
8 in a corporation or limited liability company organized under this chapter, for so long as the  
9 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
10 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
11 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
12 directly owned by the grantor of the trust.

13 Section 7. That chapter 47-12 be amended by adding thereto a NEW SECTION to read as  
14 follows:

15 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
16 in a corporation or limited liability company organized under this chapter, for so long as the  
17 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
18 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
19 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
20 directly owned by the grantor of the trust.

21 Section 8. That chapter 47-13 be amended by adding thereto a NEW SECTION to read as  
22 follows:

23 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
24 in a corporation or limited liability company organized under this chapter, for so long as the

1 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
2 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
3 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
4 directly owned by the grantor of the trust.

5 Section 9. That chapter 47-13A be amended by adding thereto a NEW SECTION to read  
6 as follows:

7 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
8 in a corporation or limited liability company organized under this chapter, for so long as the  
9 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
10 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
11 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
12 directly owned by the grantor of the trust.

13 Section 10. That chapter 47-13B be amended by adding thereto a NEW SECTION to read  
14 as follows:

15 Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder  
16 in a corporation or limited liability company organized under this chapter, for so long as the  
17 grantor of the revocable trust is living and is eligible to be a shareholder of a corporation  
18 organized under this chapter. After the death of the grantor, the shares owned by a revocable  
19 trust are subject to any divestiture and redemption provisions of this chapter as if the shares were  
20 directly owned by the grantor of the trust.

21 Section 11. That chapter 48-7A be amended by adding thereto a NEW SECTION to read  
22 as follows:

23 Notwithstanding any other provisions of § 48-7A-1004, a revocable trust may be a partner  
24 in a limited liability partnership organized under this chapter, for so long as the grantor of the

1 revocable trust is living and is eligible to be a partner of a limited liability partnership organized  
2 under this chapter. After the death of the grantor, the partnership interest owned by a revocable  
3 trust are subject to any applicable divestiture and redemption provisions as if the partnership  
4 interest were directly owned by the grantor of the trust.