

# State of South Dakota

SEVENTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2004

733J0519

## HOUSE BILL NO. 1123

Introduced by: Representatives Michels and Konold and Senators Knudson and Bogue

1 FOR AN ACT ENTITLED, An Act to authorize banks to be organized as limited liability  
2 companies.

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

4 Section 1. That subdivision (1) of § 51A-1-2 be amended to read as follows:

5 (1) "Bank," any corporation or limited liability company authorized under this title to  
6 engage in the business of banking or in the combined business of a bank and trust  
7 company or in the combined business of a bank with trust powers;

8 Section 2. That chapter 51A-3 be amended by adding thereto a NEW SECTION to read as  
9 follows:

10 A bank may be organized as a limited liability company. However, any bank that is  
11 organized as a limited liability company may not have an existence longer than twenty years.  
12 The commission shall promulgate rules pursuant to chapter 1-26, consistent with Title 51A, for  
13 the organization, management, extension of its charter, and general administration of a bank that  
14 is organized as a limited liability company. The rules shall facilitate the organization and capital  
15 structure, the offering of trust business and the ability to develop branch bank and drive-in  
16 facilities, the offering of remote service banking and bank services, the acceptance of deposits



1 and the making of investments, the offering of safe deposit and safe keeping protocols, the  
2 making of loans, the reorganization of the limited liability company bank, and the operation of  
3 a bank organized as a limited liability company to operate on an equal and parity basis with a  
4 bank organized as a corporation.