

AN ACT

ENTITLED, An Act to revise certain provisions regarding trust companies.

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

Section 1. That subdivision (14) of § 51A-1-2 be amended to read:

- (14) "Dividends," distributions for a corporation organized pursuant to chapter 47-1A and distributions for a limited liability company organized pursuant to chapter 47-34A.

Section 2. That § 51A-6A-66 be amended to read:

51A-6A-66. An entity may be excluded from the provisions of chapters 51A-5, 51A-6, and 51A-6A if:

- (1) The entity is established for the exclusive purpose of acting as a trust protector, investment trust advisor, or distribution trust advisor, as defined by § 55-1B-1, or any combination of such purposes;
- (2) The entity is acting in such capacity under a trust instrument which names a South Dakota trust company, a South Dakota bank with trust powers, or a national bank with trust powers as trustee;
- (3) The entity is not engaged in trust company business with the general public as a public trust company or with any family as a private trust company;
- (4) The entity does not hold itself out as being in the business of acting as a fiduciary for hire as either a public or private trust company;
- (5) The entity files an annual report with the South Dakota secretary of state and provides a copy to the Division of Banking;
- (6) The entity agrees to be subject to examination by the Division of Banking at the discretion of the director; and
- (7) The entity does not use the word, trust, in the entity's name in any manner.

The governing documents of any such excluded entity shall limit its authorized activities to the functions permitted to a trust protector, investment trust advisor, or distribution trust advisor pursuant to chapter 55-1B, or any combination of such purposes, and limit the performance of those functions with respect to a specifically named trust or family of trusts.

An entity complying with this section shall notify the director of its existence, capacity to act, and the name of the trustee for the trust or family of trusts.

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I certify that the attached Act
originated in the
HOUSE as Bill No. 1028

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1028
File No. _____
Chapter No. _____

Received at this Executive Office
this ____ day of _____ ,
20__ at _____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

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