South Dakota Public Deposit Protection Commission
Notice of Public Hearing to Adopt Rules

A public hearing will be held in the offices of the Division of Banking at 1601 N. Harrison Ave., Suite 1, Pierre, South Dakota on July 15, 2015, at 10:00 a.m. CT, to consider the amendment and adoption of proposed rules numbered:

6:02:02:02, 6:02:02:03, 6:02:02:04, 6:02:02:05, 6:02:02:06, 6:02:02:06.01, 6:02:02:06.02 and 6:02:02:06.03

The following are proposed rules of the South Dakota Public Deposit Protection Commission.

6:02:02:02

The effect of the proposed amendment is to modify the information required to be reported by public depositories to include the amount and number of public demand and time deposits over the amount of deposit insurance provided by the FDIC rather than the total amount and number of public demand and time deposits. The proposed amendment would also remove trust companies from the list of entities eligible to receive public deposits.

The reason for adopting the amendment is to bring the rule up to date with the deposit insurance rules of the FDIC which provide that all public time and savings deposits are insured up to $250,000, and separately all public demand deposits are insured up to $250,000. This amendment will allow the public deposit liability report to be modified to reflect the changes in the FDIC rules. The amendment will also bring the rule up to date with a change to the definition of qualified public depository made during the 2015 Legislative Session.

6:02:02:03

The effect of the proposed amendment is to correct typographical errors, make certain form and style edits, and to specify the information that must be reported to the commission for any certificate of deposit pledged to secure public deposits.

The reason for adopting the amendment is to clarify the rule and to bring the rule up to date with a change to the definition of eligible collateral made during the 2015 Legislative Session.

6:02:02:04

The effect of the proposed amendment is to eliminate the requirement that liability reports to the Public Deposit Protection Commission be sworn before a notary.

The reason for adopting the amendment is to allow the liability reports to be filed electronically.

6:02:02:05

The effect of the proposed amendment is to make form and style edits and to delete an outdated cross-reference.

The reason for adopting the amendment is to clarify the rule and to keep the cross-references in the rule up to date and accurate.

6:02:02:06

The effect of the proposed amendment is to add certificates of deposit to the existing process for pledging eligible collateral.

The reason for adopting the amendment is to allow certificates of deposit to be pledged to secure public deposits.

6:02:02:06.01

The effect of the proposed amendment is to change the value of surety bonds pledged as security for public deposits from 110% of the value of the public deposits to be secured to 100%.

The reason for adopting the amendment is to bring the rule up to date with South Dakota law.

6:02:02:06.02

The effect of the proposed amendment is to make form and style edits, to change the required value of eligible collateral pledged as security for public deposits from 110% of the value of the public deposits to be secured to 100%, and to delete an outdated statutory reference.

The reason for adopting the amendment is to clarify the rule and to bring the rule up to date with South Dakota law.

6:02:02:06.03

The effect of the proposed rule is to allow certificates of deposits to be pledged as eligible collateral by public depositories.

The reason for adopting the rule is to implement a change to the definition of eligible collateral made during the 2015 Legislative Session.

Persons interested in presenting data, opinions, and arguments for or against the proposed rules may do so by appearing in person at the hearing or by sending them to the South Dakota Division of Banking, 1601 N. Harrison Avenue, Suite 1, Pierre, SD 57501. Material sent by mail must reach the South Dakota Division of Banking by July 14, 2015, to be considered.

At the hearing, the Commission will consider all written and oral comments it receives on the proposed rules. The Commission may modify or amend the proposed rules at that time to include or exclude matters that are described in this notice.

Notice is further given to individuals with disabilities that this hearing is being held in a physically accessible place. Please notify the South Dakota Division of Banking at least 48 hours before the public hearing if you have special needs for which special arrangements must be made. The telephone number for making special arrangements is (605) 773-3421.

Copies of the proposed rules may be obtained without charge from the:

South Dakota Division of Banking
1601 N. Harrison Avenue, Suite 1
Pierre, SD 57501

Published at the approximate cost of $_________.