

State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

814W0079

HOUSE BILL NO. 1065

Introduced by: Representatives Stevens, Gibson, Gosch, Johns, and Langer and Senators
Rusch and Rave

1 FOR AN ACT ENTITLED, An Act to revise certain provisions related to voting trusts and
2 agreements.

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

4 Section 1. That § 47-1A-730 be amended to read as follows:

5 47-1A-730. One or more shareholders may create a voting trust, conferring on a trustee the
6 right to vote or otherwise act for them, by signing an agreement setting out the provisions of the
7 trust, which may include anything consistent with its purpose, and transferring their shares to
8 the trustee. When a voting trust agreement is signed, the trustee shall prepare a list of the names
9 and addresses of all ~~owners of beneficial interests in the trust~~ voting trust beneficial owners,
10 together with the number and class of shares each transferred to the trust, and deliver copies of
11 the list and agreement to the corporation's principal office.

12 A voting trust becomes effective on the date the first shares subject to the trust are registered
13 in the trustee's name. ~~A voting trust is valid for not more than ten years after its effective date~~
14 ~~unless extended under § 47-1A-730.1.~~ Any limit on the duration of a voting trust must be set
15 forth in the voting trust. A voting trust that became effective between July 1, 2005, and June 30,



1 2015, remains governed by the ten-year limit then in effect, unless the voting trust is amended
2 to provide otherwise by unanimous agreement of the parties to the voting trust.

3 Section 2. That § 47-1A-730.1 be amended to read as follows:

4 47-1A-730.1. All or some of the parties to a voting trust may extend it for additional terms
5 ~~of not more than ten years each~~ by signing written consent to the extension. An extension is
6 valid for ~~ten years~~ the duration stated in the extension agreement and is valid from the date the
7 first shareholder signs the extension agreement. The voting trustee ~~must~~ shall deliver copies of
8 the extension agreement and list of all voting trust beneficial owners to the corporation's
9 principal office. An extension agreement binds only those parties signing it.