

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

78110264

SENATE BILL NO. 30

Introduced by: The Committee on Legislative Procedure at the request of the Investment Council

1 FOR AN ACT ENTITLED, An Act to clarify certain prohibitions against direct or indirect
2 benefit by members of the Investment Council.

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

4 Section 1. That § 4-5-14 be amended to read as follows:

5 4-5-14. The members of the State Investment Council shall be qualified by training and
6 experience in the field of investment or finance. During ~~his~~ tenure as a member of the State
7 Investment Council, a no member of the council or his firm shall not be engaged nor the firm of
8 any member may engage in the sale of marketable or public securities to the state or to any fund
9 thereof; ~~nor shall~~. Nor may any member materially benefit directly or indirectly from any
10 transaction made by the state investment officer; ~~nor shall he~~. Nor may any member hold any
11 office, position, or employment in any political party.

12 Section 2. That chapter 4-5 be amended by adding thereto a NEW SECTION to read as
13 follows:

14 No transaction is deemed to provide a material benefit to the council member if:

15 (1) The benefits of the transaction affect the public generally, and the council member's



1 personal interest is only affected by virtue of being a member of the general public;
2 or

3 (2) The benefits of the transaction affect participants in the South Dakota Retirement
4 System generally, and the council member's personal interest is only affected by virtue
5 of being a participant in the South Dakota Retirement System; or

6 (3) The transaction involves the acceptance of deposits under a statewide certificate of
7 deposit program made generally available to South Dakota financial institutions or the
8 sale of interests in the South Dakota Higher Education Savings Program authorized
9 pursuant to chapter 13-63 even though the council member has an interest as a
10 principal, shareholder, trustee, director, officer, employee, independent contractor,
11 or advisor of a financial institution or firm that would accept such deposits or sell such
12 interests, if the council member has disclosed such interest in such financial institution
13 or firm to the council.

14 Section 3. That chapter 4-5 be amended by adding thereto a NEW SECTION to read as
15 follows:

16 Except as provided in section 2 of this Act, the council may not enter into any contract or
17 transaction with any firm or business in which a council member serves as a principal,
18 shareholder, trustee, director, officer, employee, agent, or independent contractor.