...Delivering Direction and Control

BRIDGEFORD®

Trust Company

Bridgeford Trust Company is a fully independent trust company chartered in South Dakota, providing conflict-free and innovative trust and fiduciary services. As South Dakota's oldest and largest independently owned trust company, we deliver progressive U.S. modern trust law solutions around asset protection, privacy, and tax planning to families across the country and around the world.

Over the past 25 years, Bridgeford Trust Company has evolved from one of South Dakota's first private trust companies into a public and modern trust company serving the global ultra-high-net-worth and family office space. We leverage more than 140 years of combined legal, accounting, and trust administrative experience executed by our talented and growing team of fiduciary professionals, comprised primarily of JDs, CPAs, CFAs, and CTFAs, from offices in Pierre and Sioux Falls, South Dakota.

With a fiercely independent spirit and a deep passion for the power of modern trust law, Bridgeford Trust Company remains dedicated to serving domestic and international families with its conflict-free, personalized, and non-institutionalized paradigm for many years to come.

www.bridgefordtrust.com

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South Dakota Advantage

Delivering Direction and Control

Renowned for its cutting-edge trust laws, South Dakota is consistently ranked among the best trust jurisdictions in the U.S. by industry publications, law review articles, white papers, and surveys of leading trust and estate professionals.

Through its South Dakota trust charter, Bridgeford Trust Company delivers tremendous direction, control, and flexibility to settlors, beneficiaries, and their advisors, because of South Dakota's progressive and modern trust laws outlined in detail in the following pages.

South Dakota stands out as a national trust jurisdiction leader due to its:

- *Directed Trusts*
- *Domestic Asset Protection Trusts*
- *Privacy Laws*
- *Trust Taxation*
- *Decanting*

A recent *Trusts & Estates* magazine article reaffirmed South Dakota's top-tier status, highlighting the critical importance of jurisdiction selection in the wealth planning process:

"Planning professionals who cater to ultra-high-net-worth (UHNW) clients need to understand the different trust laws and planning opportunities and how they affect those clients and their beneficiaries. This is especially true when the landscape for planning strategies for their UHNW clients is under tremendous pressure to change." [1]

[1] Worthington, Daniel G. and Merric, Mark, "*Which Situs is Best in 2024?" Trusts & Estates* January 2024

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Directed Trusts

Leading Trust Provisions

Directed Trusts – only available in a handful of states, including South Dakota – have drastically changed the trust world by putting control back into the hands of settlors, beneficiaries, and their advisors. Through bifurcating liability, the Directed Trust model creates a legal framework allowing trustees and beneficiaries to work with asset managers and independent trust companies of their choosing.

- *The Directed Trust concept unbundles asset management and trust administration functions that have been and are traditionally bundled together by large bank-based corporate trustees.*

- *Directed Trusts provide a family with maximum flexibility and control regarding the trust's asset allocation, diversification, investment management, and distributions. This is particularly ideal for a settlor who wants to fund an irrevocable trust with a closely held company or a specialized asset, while maintaining control.*

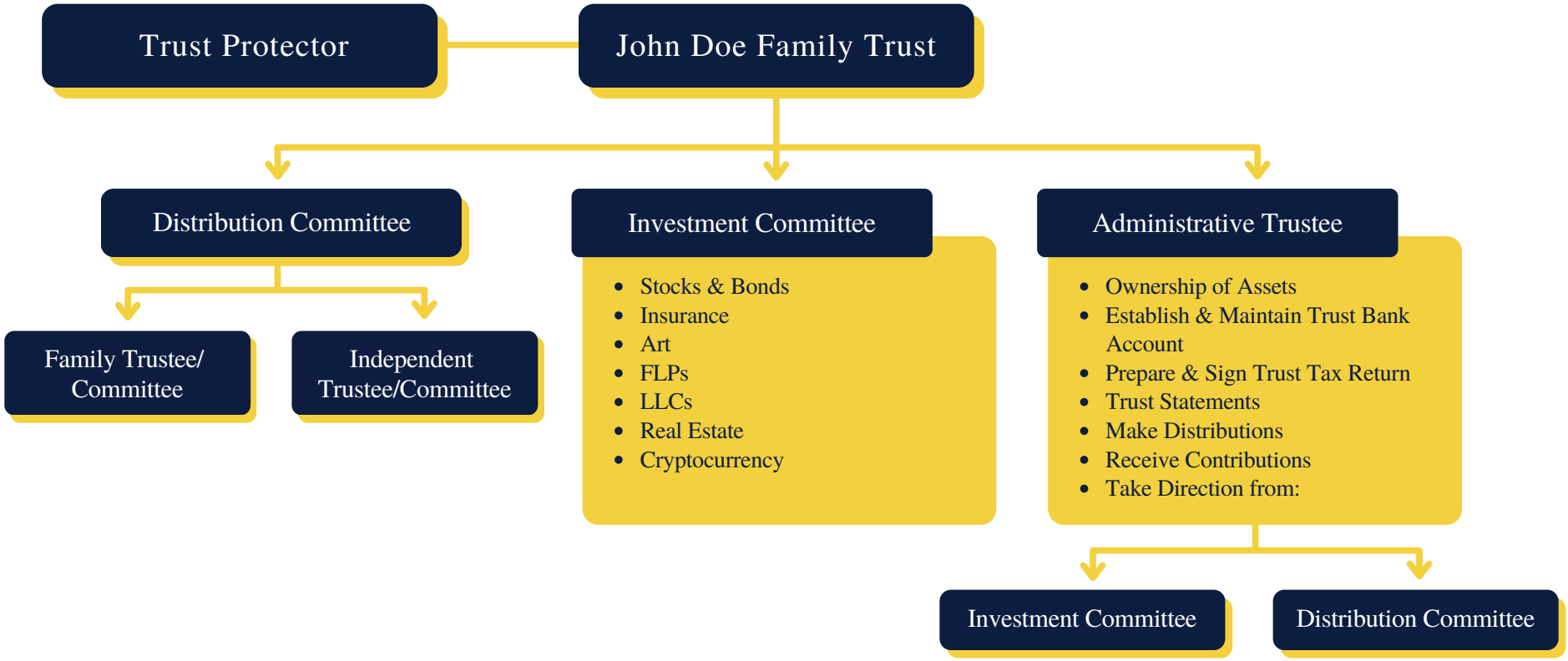
- *A Directed Trust allows the settlor to appoint an administrative trustee of their choosing and to appoint a trust advisor or an investment trustee/committee, who in turn may select outside investment advisor(s) and/or manager(s) to manage the trust's investments.*

"Offering unbundled services provides great flexibility and lower fees for families and their advisors." [1]

[1] McDonald, III, Joseph F., "*Emerging Directed Trust Company Model" Trusts & Estates* February 2012

Directed Trusts

Typical Modern "Directed" Trust Structure



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Trust Protector

"Super Trustee"

The inclusion of a Trust Protector in an irrevocable trust – in conjunction with the Directed Trust model – gives control to the settlor, beneficiaries, and advisors to modify many important aspects of the trust.

Acting as a "Super Trustee," the Trust Protector concept enhances the control aspects of the Directed Trust because it provides for direction or restraint of powers of the trustee.

Why include a Trust Protector?

- *Protectors allow for a great degree of flexibility when dealing with changes in circumstances, including both factual circumstances (death, premature divorce, previously unknown children) and legal changes (any legal changes, but most frequently changes to applicable revenue laws).*
- *The settlor is concerned that the trustee may not pay sufficient attention to his wishes.*
- *The settlor wishes certain powers to be withheld from the trustees.*
- *The settlor wishes a third party to act as a main point of contact between the beneficiaries and the trustees.*

South Dakota's Trust Protector statute is one of the most robust trust statutes in the nation (see *Title 55 - Fiduciaries and Trusts Section 55-1B-6*).

South Dakota Family Advisor

"Trust Protector Light"

The Family Advisor is yet another powerful South Dakota modern trust law tool that delivers far more control to settlors, beneficiaries, and their advisors when used in conjunction with a Directed Trust.

Often called a "Trust Protector Light" due to its non-fiduciary status and limited powers, the Family Advisor is an excellent option for settlors and beneficiaries who may want family advisors such as attorneys, CPAs, or investment advisors to have some control and input in trust administration without elevating the position to that of a fiduciary, which carries with it heightened liability that may deter advisors from serving.

While similar to a Trust Protector, the Family Advisor remains non-fiduciary but has the power to modify, control, and participate in many important aspects of trust administration. The powers that may be granted to the Family Advisor are:

> *(1) Remove and appoint a trustee, a fiduciary provided for in the governing trust instrument, trust advisor, investment committee member, or distribution committee member;*
>
> *(2) Appoint a successor trust protector or a successor family advisor;*
>
> *(3) Advise the trustee on matters concerning any beneficiary; receive trust accountings, investment reports, and other information from the trustee or to which a beneficiary is entitled; attend meetings, whether in person or by any other means, with the trustee, investment trust advisors, distribution trust advisors, or other advisors, whether in person or by any means, electronic or otherwise; and to consult with a fiduciary regarding both fiduciary and non-fiduciary matters or actions, all without any power or discretion to take any action as a fiduciary; or*
>
> *(4) Provide direction regarding notification of qualified beneficiaries pursuant to § 55-2-13.*

Special Purpose Entity

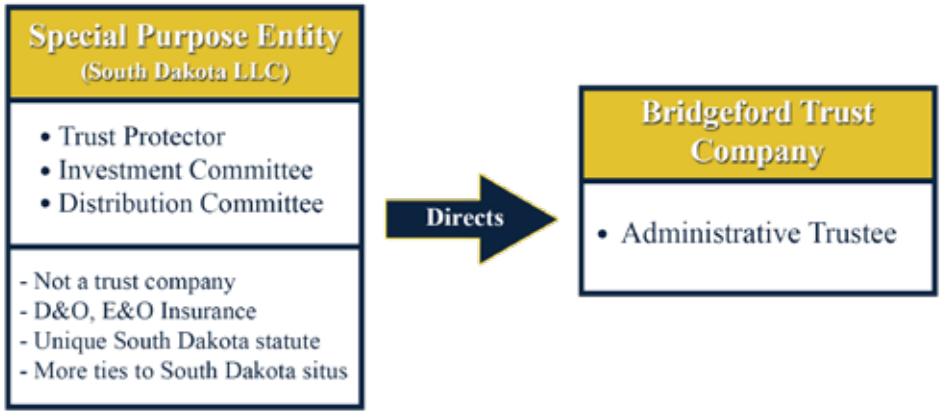
Protection and Nexus

A Special Purpose Entity is a powerful planning tool that places a liability umbrella over the individuals filling the roles within the Directed Trust structure – including investment committee members, distribution committee members, and the Trust Protector – therefore, protecting them from personal claims connected to their actions in this capacity.

- *The Special Purpose Entity is also used to destroy nexus between in-state trust protectors, investment committee members, and/or distribution committee members, therefore maintaining the jurisdictional integrity of a resident trust with situs in a progressive trust jurisdiction like South Dakota.*

- *The sole legal purpose, under South Dakota law, of the Special Purpose Entity is to direct an administrative trustee, such as Bridgeford Trust Company, relative to trust investments, distributions, and Trust Protector functions within the Directed Trust framework (see Title 55 - Fiduciaries and Trusts Section 51A-6A-66).*

A Special Purpose Entity supports and encourages the benefits associated with selecting progressive jurisdictions for trust situs, such as South Dakota, in the wealth and trust planning process.



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Domestic Asset Protection Trusts

A Powerful Protection Tool

Domestic Asset Protection Trusts (DAPTs) – available exclusively in a handful of jurisdictions, including South Dakota – are a formidable planning strategy that legally shields assets from third-party liability (including spouses in a divorce proceeding) and lawsuits while permitting settlors to retain some control over the trust assets and enjoy a discretionary benefit during their lifetime.

- *A DAPT is fully discretionary, meaning settlors can receive financial benefit from the trust (income and discretionary principal distributions), and protect trust assets from creditor claims and lawsuits, while maintaining control over the investment management function through the Directed Trust structure.*

- *South Dakota's DAPT laws are among the most progressive in the nation and are widely regarded as the jurisdiction of choice. With its two-year "look back" fraudulent conveyance statute, South Dakota's provision is among the shortest in the country.*

Trusts & Estates magazine closely examined DAPT statutes in the context of various objective factors. Based upon a thorough analysis, the authors concluded that South Dakota is a first tier DAPT jurisdiction. [1]

[1] Worthington, Daniel G. and Merric, Mark, *"Best Situs for DAPTs in 2025" Trusts & Estates* December 2024

Domestic Asset Protection Trusts

Hybrid DAPT: Enhancing the Power of Asset Protection

In addition to South Dakota's traditional Domestic Asset Protection Trust structure, families can also leverage a Hybrid DAPT – a planning technique that substantially enhances asset protection, particularly for individuals living in states without strong DAPT statutes.

A Hybrid DAPT is structured similarly to a traditional DAPT but with one key distinction: the settlor is not initially a beneficiary. Instead, the trust is established for the benefit of the settlor's spouse, descendants, or other beneficiaries. Because the settlor is excluded at inception, the Hybrid DAPT is defined as a third-party trust, which positions it to avoid the uncertainty and scrutiny sometimes seen in jurisdictions without strong DAPT statutes or in non-DAPT states. Importantly, the settlor can be added as a beneficiary later through the appointment of a Trust Protector, providing flexibility without compromising the initial strength of the trust.

Key Advantages of a Hybrid DAPT include:

- ***Enhanced Asset Protection*** *– Avoids classification as a self-settled trust, reducing litigation risk and strengthening defenses against future challenges, particularly for individuals residing in weaker or non-DAPT jurisdictions.*
- ***Flexibility*** *– Allows the settlor to be added later, if needed, preserving potential access without compromising protection at inception.*
- ***Reliability*** *– Provides a structure designed to reduce uncertainty and reinforce the trust's long-term protective strength.*
- ***Compatibility*** *– Integrates seamlessly with other South Dakota planning tools such as Dynasty Trusts, privacy provisions, and Directed Trusts for multi-generational planning.*

Hybrid DAPTs reflect South Dakota's ability to pair statutory strength with sophisticated planning design, offering families a durable and adaptable asset protection solution.

Domestic Asset Protection Trusts

Domestic and Offshore Protection: Best of Both Worlds

South Dakota law offers a unique opportunity to integrate domestic and offshore asset protection within a single trust. If a judgment is obtained against a trustee of a South Dakota trust for payment and a foreign court refuses to apply South Dakota law relative to the asset protection nature of the trust in determining the validity, construction, or administration of such trust, the state's statute clearly indicates that the trust company has no authority to recognize or pay the judgment.

Under the statute, the only power granted to the trust company is to resign and appoint a successor trust company in accordance with the terms of the trust instrument, and convey the trust property to the successor trustee. Presumably, the judgment obtained would then be returned unsatisfied and the creditor would need to commence the action against the successor trustee.

In this instance, it is important to note that there is nothing in the statute preventing a South Dakota trust company from transferring the trust and its assets to an offshore successor trust company, properly named in the document. By operation of law and under appropriate trust provisions, the trust assets can be transferred offshore only when needed. Until the offshore asset protection is needed, the trust is administered in South Dakota and assets are held in the U.S.

By combining domestic and offshore strategies, South Dakota law delivers an unparalleled asset protection solution. Settlors enjoy the advantages of a domestically administered trust while retaining the ability to pivot to offshore protection if circumstances arise. This dual approach avoids the high costs, political instability, and restrictive asset access often associated with fully offshore trusts, providing the best of both worlds.

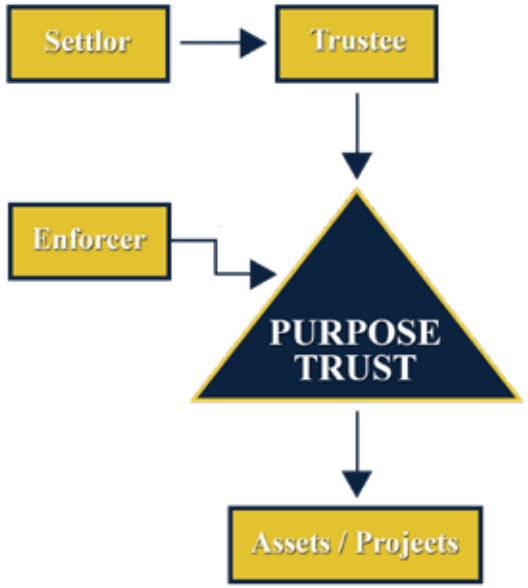
South Dakota Purpose Trust

Created to Support or Maintain a Specific Purpose

Unlike traditional trusts, the South Dakota Purpose Trust – considered the most flexible in the nation – has no beneficiaries. Instead, it is established to hold and protect assets for a specific purpose and not for the benefit of beneficiaries. Similar to a Charitable Remainder Trust, which supports a particular charity or charitable intent, a Purpose Trust can be created to support or maintain a specific purpose in perpetuity uniquely under South Dakota law.

Examples of a Purpose Trust include:

- *Business interests*
- *Private Trust Companies (PTCs)*
- *Royalties*
- *Real estate*
- *Art*
- *Cryptocurrency*
- *Pet care*
- *Grave sites*
- *Cryogenics*



Settlors of Purpose Trusts and their advisors can leverage South Dakota's trust laws – including Dynasty Trusts, privacy provisions, and asset protection – while retaining a high level of direction and control. This is achieved through the Directed Trust structure, appointing a Trust Protector, and naming an Enforcer (which can be the same person).

As long as a Purpose Trust is established for a valid purpose (not in violation of public policy), the trust can exist forever or be converted to a beneficiary trust at the direction of the Trust Protector if the purpose comes to an end.

Privacy vs. Secrecy

Keeping Trust Information Confidential

Privacy is a paramount concern for wealthy families and one of the primary reasons billions of dollars are being moved to South Dakota for trust administration from across the U.S. and around the globe. South Dakota is widely recognized for having the most robust trust privacy and quiet trust statutes in the nation. As noted in *Trusts & Estates* magazine:

"Of the top-tier trust jurisdictions, South Dakota has the best trust privacy laws." [1]

Total Court Seal Forever

South Dakota's privacy statute provides for a total seal forbidding the release of trust information – including the identities of settlors and beneficiaries, as well as the contents of the trust – to the public during litigation. This seal is automatic under South Dakota law, requires no court order, and remains in place forever. No other state seals information forever without judicial intervention, making South Dakota a leader in trust privacy recognized by practitioners, advisors, and academics worldwide.

Quiet Trust

Unlike most states, South Dakota law does not require trustees to inform beneficiaries of their interests in a trust at the age of 18. Therefore, South Dakota is universally considered to have the most comprehensive and flexible quiet trust statute in the nation, granting the settlor, trust protector, and the investment or distribution advisor the power to expand, restrict, eliminate, or modify the rights of the beneficiaries to discover information about a trust.

[1] Worthington, Daniel G. and Merric, Mark, "*Which Situs is Best in 2024?" Trusts & Estates* January 2024

Tax Planning, not Tax Evasion

Dynasty Trust

A Dynasty Trust is a powerful planning tool that preserves family wealth over generations because it avoids federal estate taxation in perpetuity. Driven by state law, South Dakota law allowed for the first Dynasty Trust in the nation in 1983 by abolishing the Rule against Perpetuities. Therefore, unlike many states that have merely amended the Rule against Perpetuities to extend the time when a trust must terminate, the South Dakota Dynasty Trust avoids federal taxation on trust assets forever because there is never a termination of the trust resulting in a distribution of trust assets.

Understanding South Dakota's Dynasty Trust:

- *South Dakota Dynasty Trusts are available to residents and non-residents. The only requirement is that the trustee be a South Dakota resident and that South Dakota laws apply to the trust.*

- *South Dakota allows trusts to continue in perpetuity, avoiding federal taxation on trust assets over multiple generations.*

- *South Dakota does not impose any form of taxation (income, dividend interest, capital gains) on these trust assets, creating significant tax savings for families. This was reinforced by the Supreme Court's Kaestner ruling, where it was held that it is unconstitutional for a state to tax undistributed trust income properly sitused and administered in a no income tax state like South Dakota.*

- *Through the use of the Dynasty Trust, families can reduce the tax burden on successive generations of beneficiaries while still giving them the use of the assets during their lifetime.*

Tax Planning, not Tax Evasion

State Taxation of Trusts

Undistributed trust income retained in a trust is taxed in most states at the applicable income tax levels of that state. By situsing a trust in a state that does not have an income tax or does not tax trusts, it provides a compelling tax planning opportunity for trustees and beneficiaries.

Resident Trust – No Taxation On Undistributed Income

A Resident Trust is a trust with situs and trust administration in a jurisdiction other than where the settlor, beneficiaries, or co-trustees reside. The U.S. Supreme Court and state courts across the nation have held that it is unconstitutional for a state to tax undistributed, non-sourced trust income in a Resident Trust, affirming that significant state tax savings can be realized by selecting a top-tier, no-income tax state like South Dakota in the planning process.

- *In Kaestner case, the Supreme Court struck down North Carolina's attempt to tax undistributed income of a Resident Trust properly sitused and administered in a no income tax state, like South Dakota. (Domicile of beneficiary not sufficient to establish nexus for taxation.)*
- *The Supreme Court denied cert in Fielding, upholding the Minnesota Supreme Court's decision also striking down that state's attempt to tax undistributed trust income within a resident trust. (Domicile of settlor not sufficient to establish nexus for taxation.)*
- *Pennsylvania, Minnesota, and New Jersey each have appellate court case law, indicating that taxing undistributed income in a resident trust is a violation of the Commerce Clause of the United States Constitution and Due Process.*
- *Supreme Court and state appellate case law makes a compelling argument for the movement of trusts into states like South Dakota, where there is no state income tax.*
- *Trusts with situs in states without a state income tax would avoid taxation on undistributed retained trust income, which has a substantial impact on the value of trust assets over subsequent generations, particularly in high tax states like California, New York, North Carolina, and New Jersey.*

Tax Planning, not Tax Evasion

Community Property Special Spousal Trust

The Community Property Special Spousal Trust is a revocable or irrevocable trust created by one or both spouses, with both spouses as beneficiaries. This powerful tax planning tool allows married settlors of the trust to avoid state taxation on undistributed retained income within the trust (because South Dakota does not have an income tax) and treats the property as community property at the death of the first spouse, applying a 100% step-up in basis at date of death, therefore, avoiding federal capital gains taxation of marital/trust assets when sold.

The South Dakota Community Property Special Spousal Trust:

- *Avoids federal capital gains taxation of marital/trust assets when subsequently sold. (In non-community property states, the step-up in basis at date of death is only 50%, which means that taxes would be owed on the remaining 50% of the cost basis of the marital property when sold.)*

- *Maximizes tax savings by combining its benefits with the federal estate tax benefits of a Dynasty Trust in a jurisdiction that does not have an income tax, such as South Dakota, with the potential to avoid federal estate tax and state income tax on undistributed income forever.*

- *May also be created, in appropriate cases, to take advantage of South Dakota's leading Directed Trust and Domestic Asset Protection Trust laws for enhanced protection from creditors, while also leveraging South Dakota's strong privacy laws.*

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Tax Planning, not Tax Evasion

Incomplete Non-Grantor (ING) Trust

An Incomplete Non-Grantor (ING) Trust is a powerful vehicle that potentially eliminates state income/capital gains tax while taking advantage of domestic asset protection. It is an incomplete gift that never leaves the settlor's estate, which means there is no gift tax, and it has a non-grantor status, meaning the income is taxed at the trust level.

When to use an ING Trust

- *Asset with significant appreciation, such as low cost basis stock.*
- *Avoids state income tax on subsequent liquidity event if created in a jurisdiction that does not have a state income tax, such as South Dakota.*
- *Avoids future state income tax on undistributed investment income.*

Example of the tax savings associated with an ING Trust

- *Closely held business with fair market value significantly over basis with a gain in excess of $20 million.*
- *Transfer of closely held stock into an ING Trust created in jurisdiction with no income tax.*
- *No gift tax consequence.*
- *Assuming home state has a 6% income tax rate = $1.2 million state tax savings.*
- *Assuming an estimated future investment portfolio of $16 million earning a conservative 4% undistributed total return, continued state tax savings of $38,400 per year.*

Tax Planning, not Tax Evasion

Private Placement Life Insurance (PPLI) LLC

Bridgeford Trust Company offers a unique opportunity to purchase Private Placement Life Insurance (PPLI) within an LLC created and managed by Bridgeford, taking advantage of South Dakota's insurance premium tax – the lowest in the U.S. at just 8 basis points. This is particularly beneficial for individuals residing outside of South Dakota, as it enables them to access the state's low premium tax rates, which can lead to considerable tax savings compared to the higher rates they might face in their home states or jurisdictions.

This approach highlights the importance of selecting the best U.S. trust jurisdiction in the tax planning process and provides a streamlined way to obtain South Dakota's low premium tax by utilizing a South Dakota LLC, ultimately bringing South Dakota's progressive and cutting edge trust laws to the structure.

Why choose South Dakota for your PPLI LLC?

- *Significant Tax Savings: Unlike other states that can charge up to 250 basis points in insurance premium taxes, South Dakota has the lowest state premium tax rate in the nation – 8 basis points for premiums in excess of $100,000, as well as for trusts.*

- *Robust Legal Framework: South Dakota's laws provide a sturdy legal foundation that supports PPLI transactions efficiently, ensuring your assets are managed within a framework designed for protection and growth.*

Decanting
A "Do Over"

Decanting, appropriately referred to as a "do over," is essentially distributing assets from an irrevocable trust to a new trust with different and presumably more desirable and flexible terms, leaving the unwanted terms in the original trust and not binding on the assets.

Key Benefits of Decanting:

- *Distribution of trust principal into a modernized and modified trust allows an irrevocable trust to evolve through decanting to meet a family's changing needs without court involvement.*

- *Has become a very powerful tool for planners to modify irrevocable trusts and has emerged as one of the most progressive strategies available in dealing with irrevocable trusts and dynasty planning issues.*

- *Is applicable to both domestic and international trusts.*

- *Creates a streamlined option for easily transferring a trust from one state jurisdiction to another more favorable jurisdiction, such as South Dakota.*

Many states do not have a decanting statute and not all decanting statutes are created equal. Selecting the right jurisdiction is critical when seeking to modify irrevocable trusts that were once considered unchangeable.

Fiscal Soundness

An Overlooked, but Extremely Important Factor

Currently, top-tier trust jurisdictions like South Dakota have no state income tax which is one of the factors that renders the state so attractive to planners. However, there is no guarantee this will always be the case which is why evaluating the fiscal strength of a state when selecting a trust jurisdiction is essential. An objective evaluation, considering multiple factors, reveals that South Dakota is unequivocally the most fiscally sound of all the top-tier U.S. trust jurisdictions.

With respect to the likelihood that South Dakota will ever impose a state income tax, consider the following facts:

- *South Dakota has a constitutional prohibition against estate and inheritance taxes and requires a 2/3 vote of both houses of the legislature to impose an income tax.*
- *South Dakota has maintained a balanced budget every year since statehood.*
- *Despite having no income tax, South Dakota has historically ranked among the top states for tax revenue stability.*
- *In terms of debt and unfunded retirement costs, South Dakota maintains its fully funded status, with public pensions still 100% funded—making it one of the strongest pension systems in the country.*
- *South Dakota consistently maintains a strong budget surplus and a well-funded rainy day reserve.*
- *South Dakota has maintained a AAA bond rating from all three major rating agencies.*
- *The Mercatus Center at George Mason University ranked South Dakota 2nd in the nation for overall fiscal condition, based on factors such as cash solvency, budget solvency, long-run solvency, service-level solvency, and trust fund solvency.*
- *South Dakota remains a key player in the banking industry, consistently ranking among the top states in total bank assets.*
- *South Dakota boasts the lowest unemployment rate in the nation.*

Coming to America

Foreign Grantor Trust

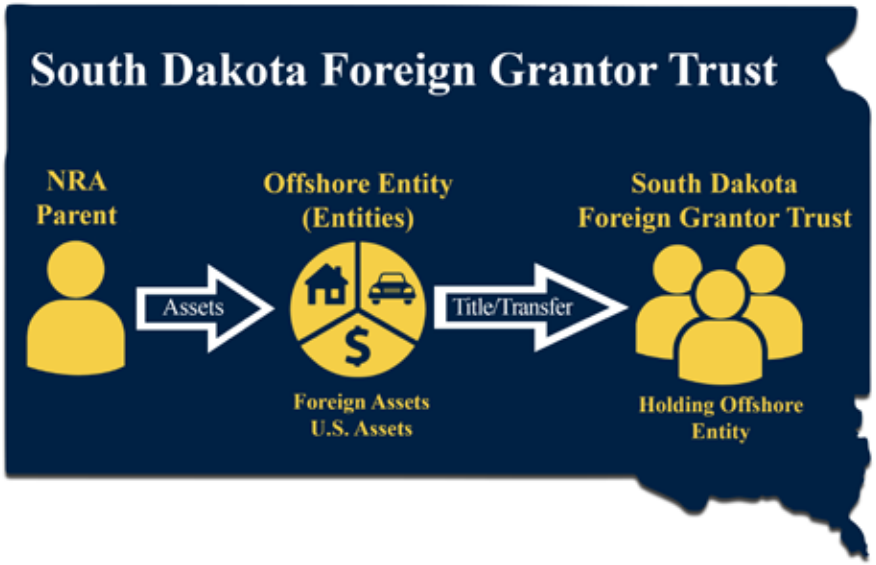
For a myriad of reasons – including privacy and asset protection – wealthy families from around the world are seeking U.S. trust solutions. Because of the power and sophistication of its trust laws, international families are increasingly selecting South Dakota for trust situs of Foreign Grantor Trusts.

Through appropriate planning and drafting, a South Dakota Foreign Grantor Trust may be established as a "foreign" trust for U.S. tax purposes, allowing it to be treated similarly to an offshore trust while benefiting from powerful U.S. trust laws. Failure of the "Court Test" or "Control Test," as outlined by the IRS, will result in the trust being treated as a non-U.S. entity and, therefore, not subjecting it to U.S. taxation.

Since the trust is considered a South Dakota trust for legal purposes, the state's industry leading dynasty trust, asset protection, and privacy laws may also be incorporated into the trust.

Why a Foreign Trust?

- *Repatriation to the U.S.*
- *Reporting protocols*
- *Taxation*
- *Foreign-born individuals living in U.S.*
- *Foreign individuals with U.S. assets*
- *Privacy and political corruption concerns*



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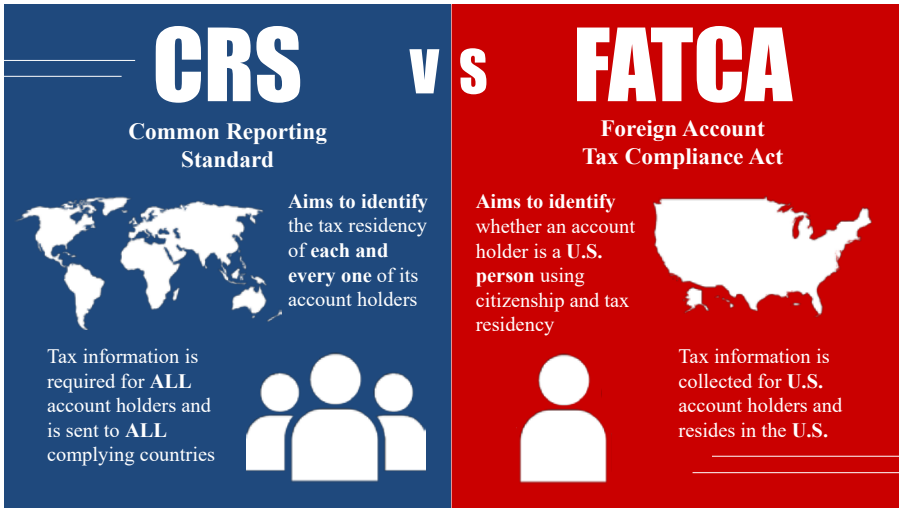
Coming to America

CRS vs FATCA

Common Reporting Standard (CRS) has had a tremendous impact on planning for both domestic and international families with asset protection and privacy concerns. Very similar to FATCA, CRS is a powerful tool that is designed to reduce tax evasion and illegal financial activity by imposing very strong transparency rules and disclosure requirements relative to financial transactions.

While the reporting requirements of CRS and FATCA are similar:

- *FATCA focuses on collecting information from individuals only holding U.S. based accounts, and such information* ***is not shared with other countries****.*
- *CRS is broader in scope, seeking global cooperation and* ***the sharing of financial information between and among participating jurisdictions****, with enhanced transparency in multi-national business and investment reporting.*



To date, well over 100 countries have committed to implement CRS, including jurisdictions traditionally used by families with privacy and asset protection concerns such as Switzerland, Cooks Islands, BVI, Nevis, and New Zealand. The U.S. has not signed on to CRS, prompting many planners, academics, and industry publications to consider the U.S. as both a tax and privacy haven.

Choosing the Correct Jurisdiction

An Objective Comparison

	South Dakota	Nevada	Wyoming	Alaska	Delaware
Dynasty Trusts	**Yes** *Ranked as #1* [1]	**Yes** *Ranked as #2* [1]	**Yes** *Ranked as #5* [1]	**Yes** *Ranked as #4* [1]	**Yes** *Ranked as #7* [1]
State Income Taxation	**No**	**No**	**No**	**No** *Future uncertain*	**No** *Only for non-residents*
Community Property Trusts	**Yes** [3]	**No**	**No**	**Yes** *Future uncertain*	**No**
Domestic Asset Protection Statute	**Yes** [4] *2 year statute of limitations* *Exception for child support*	**Yes** [4] *2 year statute of limitations* *No exceptions for child and spousal support*	**Yes** [4] *4 year statute of limitations* *Exception for child support*	**Yes** [4] *4 year statute of limitations* *Exception for divorcing spouse*	**Yes** [4] *4 year statute of limitations* *Exceptions for child and spousal support*
Trust Protector	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Directed Trusts	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Decanting Statute	**Yes** *Ranked as #1* [5]	**Yes** *Ranked as #2* [5]	**Yes** *Ranked as #14* [5]	**Yes** *Ranked as #9* [5]	**Yes** *Ranked as #3* [5]
Trust Privacy Provision	**Yes - Total Privacy Seal Forever** *Automatically attaches*	**No Total Privacy Seal** [2] *Subject to judge discretion*	**No Total Privacy Seal** [2] *Subject to judge discretion*	**No Total Privacy Seal** [2] *Subject to judge discretion*	**Yes - Three Year Privacy Seal** [2] *Subject to judge discretion*
Special Purpose Entity	**Yes** [2] *Codified by statute*	**No**	**No**	**No**	**No**
Family Advisor	**Yes**	**No**	**No**	**No**	**No**
State Fiscal Health	**Ranked as #1** [6]	**Ranked as #18** [6]	**Ranked as #48** [6]	**Ranked as #50** [6]	**Ranked as #38** [6]

** Denotes superior distinction among jurisdictions.*

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[1] *Attorney Steve Oshins' "Dynasty Trust State Rankings Chart - Updated January 2025"*
[2] *Worthington, Daniel G. and Merric, Mark "Which Situs is Best in 2024?" Trusts & Estates January 2024*
[3] *South Dakota Special Spousal Trusts, House Bill 1039 (2016) (Sections 29-42)*
[4] *Attorney Steve Oshins' "11th Annual Domestic Asset Protection Trust State Rankings Chart"*
[5] *Attorney Steve Oshins' "8th Annual Trust Decanting State Rankings Chart"*
[6] *Murphy, Mary; Iyengar, Akshay; and Zhang, Alexandria "Tax Revenue Volatility Varies Across States, Revenue Streams" PEW August 2018*

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