

3654

2011-2012 Regular Sessions

I N S E N A T E

February 28, 2011

Introduced by Sen. SMITH -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to including credit unions and federal credit unions within provisions regarding banking development district program and providing for the repeal of certain provisions upon expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision 5 of section 96-d of the banking law, as added
2 by chapter 526 of the laws of 1998, paragraph (a) as amended by chapter
3 328 of the laws of 1999, is amended to read as follows:
4 5. (a) Notwithstanding the provisions of subdivision two of section
5 two hundred thirty-seven of this chapter; for the purposes of this
6 section, paragraph c of subdivision two of section ten of the general
7 municipal law, subdivision six of section one hundred five of the state
8 finance law and section four hundred eighty-five-f of the real property
9 tax law, any reference to a bank, trust company or national bank shall
10 be deemed to include a savings bank, savings and loan association,
11 federal savings and loan association [or], federal savings bank, CREDIT
12 UNION OR FEDERAL CREDIT UNION; provided, however, that such provisions
13 of law do not grant a savings bank, savings and loan association, federal
14 savings and loan association [or], federal savings bank, A CREDIT
15 UNION OR A FEDERAL CREDIT UNION eligibility to accept municipal or
16 public funds or municipal or public moneys other than for the limited
17 purposes of the establishment of a branch in a banking development
18 district pursuant to this section. Any such municipal or public funds or
19 moneys shall be deposited only at the branch established pursuant to
20 this section, and any municipal funds or moneys may be deposited only by
21 the sponsoring municipality in which the branch and banking development
22 district are located; provided further that any such municipal or public
23 funds or moneys shall be subject to the same requirements which apply to

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

LBD04666-01-1

1 municipal or public funds or moneys deposited in a bank, trust company
2 or national bank and shall also be subject to the provisions of section
3 one hundred five of the state finance law or section ten of the general
4 municipal law relating to such deposits.

5 (b) Notwithstanding any other provision of law, the banking board
6 shall promulgate rules and regulations to authorize the participation of
7 savings banks, savings and loan associations, federal savings banks
8 [and], federal savings and loan associations, CREDIT UNIONS AND FEDERAL
9 CREDIT UNIONS in the program established pursuant to this section.

10 S 2. Subdivision 2 of section 451 of the banking law is amended by
11 adding a new paragraph (c-1) to read as follows:

12 (C-1) FOR THE PURPOSES OF SECTION NINETY-SIX-D OF THIS CHAPTER, THE
13 CREDIT UNION MAY INCLUDE IN ITS MEMBERSHIP ANY PERSON OR ORGANIZATION
14 LOCATED WITHIN A LOCAL COMMUNITY, NEIGHBORHOOD, OR RURAL DISTRICT WHERE
15 THERE IS A DEMONSTRATED NEED FOR BANKING SERVICES AS DETERMINED BY THE
16 SUPERINTENDENT.

17 S 3. This act shall take effect immediately and shall be deemed to
18 have been in full force and effect on and after January 1, 2011,
19 provided, however, that the amendments to subdivision 2 of section 451
20 of the banking law made by section two of this act shall expire and be
21 deemed repealed on the same date as section 4 of chapter 526 of the laws
22 of 1998, as amended and provided, further that the amendments to subdi-
23 vision 5 of section 96-d of the banking law made by section one of this
24 act shall not affect the repeal of such subdivision and shall be deemed
25 to be repealed therewith as provided in section 4 of chapter 526 of the
26 laws of 1998; provided, however, that any branch established prior to
27 the expiration and repeal of this act by a credit union or federal cred-
28 it union in a banking development district pursuant to this act shall
29 continue to operate in accordance with the provisions of the banking law
30 as amended by this act and remain eligible for all the rights and privi-
31 leges authorized by this act.