

STATE OF NEW YORK

7849

2021-2022 Regular Sessions

IN ASSEMBLY

May 27, 2021

Introduced by M. of A. VANEL, PICHARDO -- read once and referred to the Committee on Banks

AN ACT to amend the financial services law, in relation to requiring assessments to defray operating expenses on persons regulated by the department of financial services that engage in virtual currency business activity

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subsection (a) of section 206 of the financial services law
2 is amended to read as follows:

3 (a) For each fiscal year commencing on or after April first, two thou-
4 sand twelve, assessments to defray operating expenses, including all
5 direct and indirect costs, of the department, except expenses incurred
6 in the liquidation of banking organizations, shall be assessed by the
7 superintendent in accordance with this subsection. Persons regulated
8 under the insurance law shall be assessed by the superintendent for the
9 operating expenses of the department that are solely attributable to
10 regulating persons under the insurance law, which shall include any
11 expenses that were permissible to be assessed in fiscal year two thou-
12 sand nine-hundred twenty, with the assessments allocated pro rata upon
13 all domestic insurers and all licensed United States branches of alien
14 insurers domiciled in this state within the meaning of paragraph four of
15 subsection (b) of section seven thousand four hundred eight of the
16 insurance law, in proportion to the gross direct premiums and other
17 considerations, written or received by them in this state during the
18 calendar year ending December thirty-first immediately preceding the end
19 of the fiscal year for which the assessment is made (less return premi-
20 ums and considerations thereon) for policies or contracts of insurance
21 covering property or risks resident or located in this state the issu-
22 ance of which policies or contracts requires a license from the super-
23 intendent. Persons regulated under the banking law shall be assessed by

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

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1 the superintendent for the operating expenses of the department that are
2 solely attributable to regulating persons under the banking law in such
3 proportions as the superintendent shall deem just and reasonable.
4 Persons regulated under this chapter that engage in "virtual currency
5 business activity," as that term is defined by the department, shall be
6 assessed by the superintendent for the operating expenses of the depart-
7 ment that are solely attributable to regulating such persons in such
8 proportions as the superintendent shall deem just and reasonable. Oper-
9 ating expenses of the department not covered by the assessments set
10 forth above shall be assessed by the superintendent in such proportions
11 as the superintendent shall deem just and reasonable upon all domestic
12 insurers and all licensed United States branches of alien insurers domi-
13 ciled in this state within the meaning of paragraph four of subsection
14 (b) of section seven thousand four hundred eight of the insurance law,
15 and upon any regulated person under the banking law, other than mortgage
16 loan originators, and upon persons regulated under this chapter that
17 engage in virtual currency business activity, except as otherwise
18 provided by sections one hundred fifty-one and two hundred twenty-eight
19 of the workers' compensation law and by section sixty of the volunteer
20 firefighters' benefit law. The provisions of this subsection shall not
21 be applicable to a bank holding company, as that term is defined in
22 article three-A of the banking law. Persons regulated under the banking
23 law will not be assessed for expenses that the superintendent deems to
24 benefit solely persons regulated under the insurance law or under this
25 chapter that engage in virtual currency business activity, and persons
26 regulated under the insurance law will not be assessed for expenses that
27 the superintendent deems to benefit solely persons regulated under the
28 banking law or under this chapter that engage in virtual currency busi-
29 ness activity. Persons regulated under this chapter that engage in
30 virtual currency business activity will not be assessed for expenses
31 that the superintendent deems to benefit solely persons regulated under
32 the insurance law or under the banking law.

33 § 2. Section 206 of the financial services law is amended by adding a
34 new subsection (d-1) to read as follows:

35 (d-1) The expenses of every examination of the affairs of any person
36 regulated pursuant to this chapter that engage in virtual currency busi-
37 ness activity shall be borne and paid by the regulated person so exam-
38 ined, but the superintendent, with the approval of the comptroller, may
39 in the superintendent's discretion for good cause shown remit such
40 charges.

41 § 3. This act shall take effect on the sixtieth day after it shall
42 have become a law. Effective immediately, the addition, amendment and/or
43 repeal of any rule or regulation necessary for the implementation of
44 this act on its effective date are authorized to be made on or before
45 such date.