

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. JEFFRIES, PERRY, WRIGHT -- Multi-Sponsored by --
M. of A. HYER-SPENCER -- read once and referred 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 develop-
ment 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 ASSEM-
BLY, 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, feder-
14 al 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

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

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1 district are located; provided further that any such municipal or public
2 funds or moneys shall be subject to the same requirements which apply to
3 municipal or public funds or moneys deposited in a bank, trust company
4 or national bank and shall also be subject to the provisions of section
5 one hundred five of the state finance law or section ten of the general
6 municipal law relating to such deposits.

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

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

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

19 S 3. This act shall take effect immediately and shall be deemed to
20 have been in full force and effect on and after January 1, 2009,
21 provided, however, that the amendments to subdivision 2 of section 451
22 of the banking law made by section two of this act shall expire and be
23 deemed repealed on the same date as section 4 of chapter 526 of the laws
24 of 1998, as amended and provided, further that the amendments to subdivi-
25 sion 5 of section 96-d of the banking law made by section one of this
26 act shall not affect the repeal of such subdivision and shall be deemed
27 to be repealed therewith as provided in section 4 of chapter 526 of the
28 laws of 1998; provided, however, that any branch established prior to
29 the expiration and repeal of this act by a credit union or federal cred-
30 it union in a banking development district pursuant to this act shall
31 continue to operate in accordance with the provisions of the banking law
32 as amended by this act and remain eligible for all the rights and privi-
33 leges authorized by this act.