S T A T E   O F   N E W   Y O R K

238

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

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

AN ACT to amend the banking law, in relation to including low income credit unions in the banking development district program

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

Section 1. Subdivisions 2 and 2-a and paragraph (a) of subdivision 5 of section 96-d of the banking law, subdivision 2 as added by chapter 204 of the laws of 1997, subdivision 2-a as added and paragraph (a) of subdivision 5 as amended by chapter 328 of the laws of 1999, are amended to read as follows:

2. A local government, in conjunction with a bank, trust company [or], national bank, OR LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, may submit an application to the superintendent for the designation of a banking development district. The superintendent shall issue a determination on such an application within sixty days of receiving such application. If an application is approved, the superintendent shall transmit notification of such approval to the local government, the bank, trust company or national bank, the state comptroller, the commissioner of taxation and finance, the commissioner of the department of economic development, the temporary president of the senate and the speaker of the assembly.

2-a. Notwithstanding any other provision of law, an application may be submitted by a local government in conjunction with a bank, trust company [or], national bank OR LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, which has already opened a bank branch within such area, provided such branch was opened after December thirty-first, nineteen hundred ninety-six. In considering the criteria authorized pursuant to subdivision one of this section, the

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

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superintendent shall also take into account the importance and benefits of preserving the banking services offered by the existing branch.

(a) Notwithstanding the provisions of subdivision two of section two hundred thirty-seven of this chapter; for the purposes of this section, paragraph c of subdivision two of section ten of the general municipal law, subdivision six of section one hundred five of the state finance law and section four hundred eighty-five-f of the real property tax law, any reference to a bank, trust company [or], national bank OR LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, shall be deemed to include a savings bank, savings and loan association, federal savings and loan association or federal savings bank; provided, however, that such provisions of law do not grant a savings bank, savings and loan association, federal savings and loan association or federal savings bank eligibility to accept municipal or public funds or municipal or public moneys other than for the limited purposes of the establishment of a branch in a banking development district pursuant to this section. Any such municipal or public funds or moneys shall be deposited only at the branch established pursuant to this section, and any municipal funds or moneys may be deposited only by the sponsoring municipality in which the branch and banking development district are located; provided further that any such municipal or public funds or moneys shall be subject to the same requirements which apply to municipal or public funds or moneys deposited in a bank, trust company [or], national bank OR LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, and shall also be subject to the provisions of section one hundred five of the state finance law or section ten of the general municipal law relating to such deposits.

S 2. Subdivision 3 of section 96-d of the banking law, as amended by chapter 526 of the laws of 1998, is amended to read as follows:

3. The establishment of a branch in a banking development district by a bank, trust company [or], national bank OR LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, shall be subject to all applicable state and federal laws regarding the establishment of branch offices, including the provisions of section one hundred five of this article, provided however that the branch application fee required pursuant to section twenty-nine of this chapter shall be waived for any such branch. A bank or trust company may submit an application to open a branch office simultaneously with the submission of the application for the designation of a banking development district.

S 3. Subdivision 3 of section 96-d of the banking law, as amended by chapter 204 of the laws of 1997, is amended to read as follows:

3. The establishment of a branch in a banking development district by a bank, trust company [or], national bank OR LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, shall be subject to all applicable state and federal laws regarding the establishment of branch offices, including the provisions of section one hundred five of this article. A bank or trust company may submit an application to open a branch office simultaneously with the submission of the application for the designation of a banking development district.

S 4. This act shall take effect immediately, provided, however, that the amendments to paragraph (a) of subdivision 5 of section 96-d of the banking law made by section one of this act shall not affect the repeal of such subdivision and shall be deemed to be repealed therewith; provided further that the amendments to subdivision 3 of section 96-d of the banking law made by section two of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 4 of chapter 526 of the laws of 1998, as amended, when upon such date the provisions of section three of this act shall take effect.