

5279

2009-2010 Regular Sessions

I N S E N A T E

April 27, 2009

Introduced by Sens. SQUADRON, ADAMS, C. JOHNSON, SAMPSON, SERRANO, STAVISKY -- 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 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:

1 Section 1. Subdivisions 2 and 2-a and paragraph (a) of subdivision 5
2 of section 96-d of the banking law, subdivision 2 as added by chapter
3 204 of the laws of 1997, subdivision 2-a as added and paragraph (a) of
4 subdivision 5 as amended by chapter 328 of the laws of 1999, are amended
5 to read as follows:

6 2. A local government, in conjunction with a bank, trust company [or],
7 national bank, LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR
8 HUNDRED FIFTY-A OF THIS CHAPTER, OR ANY FEDERAL CREDIT UNION THAT HAS
9 BEEN DESIGNATED A LOW INCOME CREDIT UNION BY THE NATIONAL CREDIT UNION
10 ADMINISTRATION, may submit an application to the superintendent for the
11 designation of a banking development district. The superintendent shall
12 issue a determination on such an application within sixty days of
13 receiving such application. If an application is approved, the super-
14 intendent shall transmit notification of such approval to the local
15 government, the bank, trust company or national bank, the state comp-
16 troller, the commissioner of taxation and finance, the commissioner of
17 the department of economic development, the temporary president of the
18 senate and the speaker of the assembly.

19 2-a. Notwithstanding any other provision of law, an application may be
20 submitted by a local government in conjunction with a bank, trust compa-
21 ny [or], national bank, LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION
22 FOUR HUNDRED FIFTY-A OF THIS CHAPTER, OR ANY FEDERAL CREDIT UNION THAT
23 HAS BEEN DESIGNATED A LOW INCOME CREDIT UNION BY THE NATIONAL CREDIT
24 UNION ADMINISTRATION, which has already opened a bank branch within such

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

LBD00903-03-9

1 area, provided such branch was opened after December thirty-first, nine-
2 teen hundred ninety-six. In considering the criteria authorized pursuant
3 to subdivision one of this section, the superintendent shall also take
4 into account the importance and benefits of preserving the banking
5 services offered by the existing branch.

6 (a) Notwithstanding the provisions of subdivision two of section two
7 hundred thirty-seven of this chapter; for the purposes of this section,
8 paragraph c of subdivision two of section ten of the general municipal
9 law, subdivision six of section one hundred five of the state finance
10 law and section four hundred eighty-five-f of the real property tax law,
11 any reference to a bank, trust company [or], national bank, LOW INCOME
12 CREDIT UNION AS DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAP-
13 TER, OR ANY FEDERAL CREDIT UNION THAT HAS BEEN DESIGNATED A LOW INCOME
14 CREDIT UNION BY THE NATIONAL CREDIT UNION ADMINISTRATION, shall be
15 deemed to include a savings bank, savings and loan association, federal
16 savings and loan association or federal savings bank; provided, however,
17 that such provisions of law do not grant a savings bank, savings and
18 loan association, federal savings and loan association or federal
19 savings bank eligibility to accept municipal or public funds or municip-
20 al or public moneys other than for the limited purposes of the estab-
21 lishment of a branch in a banking development district pursuant to this
22 section. Any such municipal or public funds or moneys shall be deposited
23 only at the branch established pursuant to this section, and any municip-
24 al funds or moneys may be deposited only by the sponsoring municipality
25 in which the branch and banking development district are located;
26 provided further that any such municipal or public funds or moneys shall
27 be subject to the same requirements which apply to municipal or public
28 funds or moneys deposited in a bank, trust company [or], national bank,
29 LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF
30 THIS CHAPTER, OR ANY FEDERAL CREDIT UNION THAT HAS BEEN DESIGNATED A LOW
31 INCOME CREDIT UNION BY THE NATIONAL CREDIT UNION ADMINISTRATION, and
32 shall also be subject to the provisions of section one hundred five of
33 the state finance law or section ten of the general municipal law relat-
34 ing to such deposits.

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

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

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

51 3. The establishment of a branch in a banking development district by
52 a bank, trust company [or], national bank, LOW INCOME CREDIT UNION AS
53 DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, OR ANY
54 FEDERAL CREDIT UNION THAT HAS BEEN DESIGNATED A LOW INCOME CREDIT UNION
55 BY THE NATIONAL CREDIT UNION ADMINISTRATION, shall be subject to all
56 applicable state and federal laws regarding the establishment of branch

1 offices, including the provisions of section one hundred five of this
2 article. A bank or trust company may submit an application to open a
3 branch office simultaneously with the submission of the application for
4 the designation of a banking development district.

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