

6929

I N S E N A T E

February 25, 2010

Introduced by Sen. FOLEY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the general municipal law, in relation to expanding the definition of banking entities authorized for the deposit of temporary investments funds

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

1 Section 1. Subdivision 2 of section 11 of the general municipal law,
2 as amended by chapter 708 of the laws of 1992, is amended to read as
3 follows:

4 2. A. The governing board of any local government or, if the governing
5 board so delegates, the chief fiscal officer or other officer having
6 custody of the moneys may temporarily invest moneys not required for
7 immediate expenditure, except moneys the investment of which is other-
8 wise provided for by law, EITHER: (1) in special time deposit accounts
9 in, or certificates of deposit issued by, a bank or trust company
10 located and authorized to do business in this state[, provided however,
11 that]; OR (2) IN ACCORDANCE WITH ALL OF THE FOLLOWING CONDITIONS:

12 (I) THE MONEYS ARE INVESTED THROUGH A BANK OR TRUST COMPANY LOCATED
13 AND AUTHORIZED TO DO BUSINESS IN THIS STATE;

14 (II) THE BANK OR TRUST COMPANY ARRANGES FOR THE DEPOSIT OF THE MONEYS
15 IN CERTIFICATES OF DEPOSIT IN ONE OR MORE BANKING INSTITUTIONS, AS
16 DEFINED IN SECTION NINE-R OF THE BANKING LAW, OR TRUST COMPANIES INSURED
17 UNDER THE FEDERAL DEPOSIT INSURANCE ACT, WHEREVER LOCATED IN THE UNITED
18 STATES, FOR THE ACCOUNT OF THE LOCAL GOVERNMENT;

19 (III) THE FULL AMOUNT OF PRINCIPAL AND ACCRUED INTEREST OF EACH SUCH
20 CERTIFICATE OF DEPOSIT MUST BE INSURED BY THE FEDERAL DEPOSIT INSURANCE
21 CORPORATION;

22 (IV) THE BANK OR TRUST COMPANY ACTS AS CUSTODIAN FOR THE LOCAL GOVERN-
23 MENT WITH RESPECT TO SUCH CERTIFICATES OF DEPOSIT ISSUED FOR THE LOCAL
24 GOVERNMENT'S ACCOUNT; AND

25 (V) AT THE SAME TIME THAT THE LOCAL GOVERNMENT'S MONEYS ARE DEPOSITED
26 AND THE CERTIFICATES OF DEPOSIT ARE ISSUED FOR THE ACCOUNT OF THE LOCAL
27 GOVERNMENT, THE BANK OR TRUST COMPANY RECEIVES AN AMOUNT OF DEPOSITS

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

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1 FROM CUSTOMERS OF OTHER INSURED DEPOSITORY INSTITUTIONS WHEREVER LOCATED
2 IN THE UNITED STATES EQUAL TO OR GREATER THAN THE AMOUNT OF THE MONEYS
3 INVESTED BY THE LOCAL GOVERNMENT THROUGH THE BANK OR TRUST COMPANY.

4 B. FOR ANY INVESTMENT MADE PURSUANT TO PARAGRAPH A OF THIS SUBDIVI-
5 SION, such time deposit account or certificate of deposit shall be paya-
6 ble within such time as the proceeds shall be needed to meet expendi-
7 tures for which such moneys were obtained and provided further that such
8 time deposit account or certificate of deposit be secured in the same
9 manner as is provided for securing deposits of public funds by subdivi-
10 sion three of section ten of this article.

11 S 2. This act shall take effect immediately.