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

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:

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

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

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

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

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

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

(V) AT THE SAME TIME THAT THE LOCAL GOVERNMENT'S MONEYS ARE DEPOSITED AND THE CERTIFICATES OF DEPOSIT ARE ISSUED FOR THE ACCOUNT OF THE LOCAL 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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FROM CUSTOMERS OF OTHER INSURED DEPOSITORY INSTITUTIONS WHEREVER LOCATED IN THE UNITED STATES EQUAL TO OR GREATER THAN THE AMOUNT OF THE MONEYS INVESTED BY THE LOCAL GOVERNMENT THROUGH THE BANK OR TRUST COMPANY.

B. FOR ANY INVESTMENT MADE PURSUANT TO PARAGRAPH A OF THIS SUBDIVISION, such time deposit account or certificate of deposit shall be payable within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit be secured in the same manner as is provided for securing deposits of public funds by subdivision three of section ten of this article.

S 2. This act shall take effect immediately.