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2009-2010 Regular Sessions

I N   A S S E M B L Y

(PREFILED)

January 7, 2009

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Introduced by M. of A. DelMONTE -- 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 development 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 ASSEMBLY, 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, federal  
14    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  
22    district are located; provided further that any such municipal or public

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

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

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

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

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

18 S 3. This act shall take effect January 1, 2010; provided, however, if  
19 this act shall become a law after such date it shall take effect imme-  
20 diately and shall be deemed to have been in full force and effect on and  
21 after January 1, 2010, provided, further, that the amendments to subdi-  
22 vision 2 of section 451 of the banking law made by section two of this  
23 act shall expire and be deemed repealed on the same date as section 4 of  
24 chapter 526 of the laws of 1998, as amended and provided, further that  
25 the amendments to subdivision 5 of section 96-d of the banking law made  
26 by section one of this act shall not affect the repeal of such subdivi-  
27 sion and shall be deemed to be repealed therewith as provided in section  
28 4 of chapter 526 of the laws of 1998; provided, however, that any branch  
29 established prior to the expiration and repeal of this act by a credit  
30 union or federal credit union in a banking development district pursuant  
31 to this act shall continue to operate in accordance with the provisions  
32 of the banking law as amended by this act and remain eligible for all  
33 the rights and privileges authorized by this act.