

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. JEFFRIES, PERRY, WRIGHT -- Multi-Sponsored by --  
M. of A. HYER-SPENCER -- 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 develop-  
ment 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 ASSEM-  
BLY, 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, feder-  
14    al 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

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

LBD00311-01-9

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

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

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

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

19 S 3. This act shall take effect immediately and shall be deemed to  
20 have been in full force and effect on and after January 1, 2009,  
21 provided, however, that the amendments to subdivision 2 of section 451  
22 of the banking law made by section two of this act shall expire and be  
23 deemed repealed on the same date as section 4 of chapter 526 of the laws  
24 of 1998, as amended and provided, further that the amendments to subdi-  
25 vision 5 of section 96-d of the banking law made by section one of this  
26 act shall not affect the repeal of such subdivision and shall be deemed  
27 to be repealed therewith as provided in section 4 of chapter 526 of the  
28 laws of 1998; provided, however, that any branch established prior to  
29 the expiration and repeal of this act by a credit union or federal cred-  
30 it union in a banking development district pursuant to this act shall  
31 continue to operate in accordance with the provisions of the banking law  
32 as amended by this act and remain eligible for all the rights and privi-  
33 leges authorized by this act.