

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. KAVANAGH -- read once and referred 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, OR LOW INCOME CREDIT UNION AS DESIGNATED BY SECTION FOUR
8 HUNDRED FIFTY-A OF THIS CHAPTER, may submit an application to the super-
9 intendent for the designation of a banking development district. The
10 superintendent shall issue a determination on such an application within
11 sixty days of receiving such application. If an application is approved,
12 the superintendent shall transmit notification of such approval to the
13 local government, the bank, trust company or national bank, the state
14 comptroller, the commissioner of taxation and finance, the commissioner
15 of the department of economic development, the temporary president of
16 the senate and the speaker of the assembly.
17 2-a. Notwithstanding any other provision of law, an application may be
18 submitted by a local government in conjunction with a bank, trust compa-
19 ny [or], national bank OR LOW INCOME CREDIT UNION AS DESIGNATED BY
20 SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, which has already opened a
21 bank branch within such area, provided such branch was opened after
22 December thirty-first, nineteen hundred ninety-six. In considering the
23 criteria authorized pursuant to subdivision one of this section, the

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

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1 superintendent shall also take into account the importance and benefits
2 of preserving the banking services offered by the existing branch.

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

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

30 3. The establishment of a branch in a banking development district by
31 a bank, trust company [or], national bank OR LOW INCOME CREDIT UNION AS
32 DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, shall be
33 subject to all applicable state and federal laws regarding the estab-
34 lishment of branch offices, including the provisions of section one
35 hundred five of this article, provided however that the branch applica-
36 tion fee required pursuant to section twenty-nine of this chapter shall
37 be waived for any such branch. A bank or trust company may submit an
38 application to open a branch office simultaneously with the submission
39 of the application for the designation of a banking development
40 district.

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

43 3. The establishment of a branch in a banking development district by
44 a bank, trust company [or], national bank OR LOW INCOME CREDIT UNION AS
45 DESIGNATED BY SECTION FOUR HUNDRED FIFTY-A OF THIS CHAPTER, shall be
46 subject to all applicable state and federal laws regarding the estab-
47 lishment of branch offices, including the provisions of section one
48 hundred five of this article. A bank or trust company may submit an
49 application to open a branch office simultaneously with the submission
50 of the application for the designation of a banking development
51 district.

52 S 4. This act shall take effect immediately, provided, however, that
53 the amendments to paragraph (a) of subdivision 5 of section 96-d of the
54 banking law made by section one of this act shall not affect the repeal
55 of such subdivision and shall be deemed to be repealed therewith;
56 provided further that the amendments to subdivision 3 of section 96-d of

1 the banking law made by section two of this act shall be subject to the
2 expiration and reversion of such subdivision pursuant to section 4 of
3 chapter 526 of the laws of 1998, as amended, when upon such date the
4 provisions of section three of this act shall take effect.