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

6216

I N S E N A T E

January 13, 2012

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to attorney trust accounts

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

Section 1. The banking law is amended by adding a new section 9-v to read as follows:

S 9-V. ATTORNEY TRUST ACCOUNTS. NOTWITHSTANDING ANY OTHER PROVISION OF LAW OR RULE OR REGULATION TO THE CONTRARY, NO BANK OR TRUST COMPANY REGULATED BY THE STATE OF NEW YORK SHALL CHARGE A SERVICE FEE OR REQUIRE A MINIMUM BALANCE ON AN ATTORNEY TRUST ACCOUNT, PROVIDED THAT NO MORE THAN FIFTEEN DEBIT OR CREDIT TRANSACTIONS PER MONTH ARE MADE IN CONNECTION WITH SUCH ACCOUNT AND PROVIDED, FURTHER, THAT SUCH ATTORNEY TRUST ACCOUNT IS NON-INTEREST BEARING OR IS AN IOLA (INTEREST ON LAWYER ACCOUNTS) ACCOUNT. FOR THE PURPOSES OF THIS SECTION, AN ATTORNEY TRUST ACCOUNT SHALL MEAN A SPECIAL BANKING OR CHECKING ACCOUNT REQUIRED BY LAW OR A RULE OF COURT FOR THE DEPOSIT OF FUNDS BELONGING TO LAW CLIENTS OR OTHER PERSONS IN THE PRACTICE OF LAW.

S 2. This act shall take effect on the thirtieth day after it shall have become a law.

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

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