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

3654--A

2011-2012 Regular Sessions

I N S E N A T E

February 28, 2011

Introduced by Sen. SMITH -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- recommitted to the Committee on Banks in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

Section 1. Subdivision 5 of section 96-d of the banking law, as added by chapter 526 of the laws of 1998, paragraph (a) as amended by chapter 328 of the laws of 1999 and paragraph (b) as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

5. (a) Notwithstanding the provisions of subdivision two of section two hundred thirty-seven of this chapter; for the purposes of this section, paragraph c of subdivision two of section ten of the general municipal law, subdivision six of section one hundred five of the state finance law and section four hundred eighty-five-f of the real property tax law, any reference to a bank, trust company or national bank shall be deemed to include a savings bank, savings and loan association, federal savings and loan association [or], federal savings bank, CREDIT UNION OR FEDERAL CREDIT UNION; provided, however, that such provisions of law do not grant a savings bank, savings and loan association, federal savings and loan association [or], federal savings bank, A CREDIT UNION OR A FEDERAL CREDIT UNION eligibility to accept municipal or public funds or municipal or public moneys other than for the limited purposes of the establishment of a branch in a banking development district pursuant to this section. Any such municipal or public funds or

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

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moneys shall be deposited only at the branch established pursuant to this section, and any municipal funds or moneys may be deposited only by the sponsoring municipality in which the branch and banking development district are located; provided further that any such municipal or public funds or moneys shall be subject to the same requirements which apply to municipal or public funds or moneys deposited in a bank, trust company or national bank and shall also be subject to the provisions of section one hundred five of the state finance law or section ten of the general municipal law relating to such deposits.

(b) Notwithstanding any other provision of law, the superintendent of financial services shall promulgate rules and regulations to authorize the participation of savings banks, savings and loan associations, federal savings banks [and], federal savings and loan associations, CREDIT UNIONS AND FEDERAL CREDIT UNIONS in the program established pursuant to this section.

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

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

S 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2012, provided, however, that the amendments to subdivision 2 of section 451 of the banking law made by section two of this act shall expire and be deemed repealed on the same date as section 4 of chapter 526 of the laws of 1998, as amended, expires and repeals, and provided, further that the amendments to subdivision 5 of section 96-d of the banking law made by section one of this act shall not affect the repeal of such subdivision and shall be deemed to be repealed therewith; provided, however, that any branch established prior to the expiration and repeal of the provisions of this act by a credit union or federal credit union in a banking development district pursuant to the provisions of this act shall continue to operate in accordance with the provisions of the banking law, as amended by this act, and remain eligible for all the rights and privileges authorized by this act.