

8693

I N   A S S E M B L Y

February 3, 2014

---

Introduced by M. of A. ROBINSON -- 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, paragraph (b) as further amended by section 104  
4     of part A of chapter 62 of the laws of 2011, is amended to read as  
5     follows:  
6     5. (a) Notwithstanding the provisions of subdivision two of section  
7     two hundred thirty-seven of this chapter; for the purposes of this  
8     section, paragraph c of subdivision two of section ten of the general  
9     municipal law, subdivision six of section one hundred five of the state  
10    finance law and section four hundred eighty-five-f of the real property  
11    tax law, any reference to a bank, trust company or national bank shall  
12    be deemed to include a savings bank, savings and loan association,  
13    federal savings and loan association [or], federal savings bank, CREDIT  
14    UNION OR FEDERAL CREDIT UNION; provided, however, that such provisions  
15    of law do not grant a savings bank, savings and loan association, federal  
16    savings and loan association [or], federal savings bank, A CREDIT  
17    UNION OR A FEDERAL CREDIT UNION eligibility to accept municipal or  
18    public funds or municipal or public moneys other than for the limited  
19    purposes of the establishment of a branch in a banking development  
20    district pursuant to this section. Any such municipal or public funds or  
21    moneys shall be deposited only at the branch established pursuant to  
22    this section, and any municipal funds or moneys may be deposited only by  
23    the sponsoring municipality in which the branch and banking development  
24    district are located; provided further that any such municipal or public  
25    funds or moneys shall be subject to the same requirements which apply to  
26    municipal or public funds or moneys deposited in a bank, trust company

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

LBD08033-02-4

1 or national bank and shall also be subject to the provisions of section  
2 one hundred five of the state finance law or section ten of the general  
3 municipal law relating to such deposits.

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

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

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

17 S 3. This act shall take effect January 1, 2016; provided, however,  
18 that the amendments to subdivision 2 of section 451 of the banking law  
19 made by section two of this act shall expire and be deemed repealed on  
20 the same date and in the same manner as section 4 of chapter 526 of the  
21 laws of 1998, as amended; and provided, further, that the amendments to  
22 subdivision 5 of section 96-d of the banking law made by section one of  
23 this act shall not affect the repeal of such subdivision and shall be  
24 deemed to be repealed therewith as provided in section 4 of chapter 526  
25 of the laws of 1998; and provided, however, that any branch established  
26 prior to the expiration and repeal of the provisions of this act by a  
27 credit union or federal credit union in a banking development district  
28 pursuant to this act shall continue to operate in accordance with the  
29 provisions of the banking law as amended by this act and remain eligible  
30 for all the rights and privileges authorized by this act.