

3569--A

2013-2014 Regular Sessions

I N S E N A T E

February 6, 2013

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:

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 and paragraph (b) as further amended by section  
4 104 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, feder-  
16 al 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

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

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

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

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

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

23 S 3. This act shall take effect immediately and shall be deemed to  
24 have been in full force and effect on and after January 1, 2014,  
25 provided, however, that the amendments to subdivision 2 of section 451  
26 of the banking law made by section two of this act shall expire and be  
27 deemed repealed on the same date as section 4 of chapter 526 of the laws  
28 of 1998, as amended, expires and repeals, and provided, further that the  
29 amendments to subdivision 5 of section 96-d of the banking law made by  
30 section one of this act shall not affect the repeal of such subdivision  
31 and shall be deemed to be repealed therewith; provided, however, that  
32 any branch established prior to the expiration and repeal of the  
33 provisions of this act by a credit union or federal credit union in a  
34 banking development district pursuant to the provisions of this act  
35 shall continue to operate in accordance with the provisions of the bank-  
36 ing law, as amended by this act, and remain eligible for all the rights  
37 and privileges authorized by this act.