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

7017

2015-2016 Regular Sessions

I N A S S E M B L Y

April 20, 2015

Introduced by M. of A. ROBINSON -- read once and referred to the Committee on Banks

AN ACT to amend the general municipal law and the banking law, in relation to allowing credit unions, savings banks, savings and loan associations and federal savings associations to accept and secure deposits from municipal corporations

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

Section 1. Paragraph d of subdivision 1 of section 10 of the general municipal law, as amended by chapter 623 of the laws of 1998, is amended to read as follows:

d. "Bank" shall mean a bank as defined by the banking law or a national banking association located and authorized to do business in New York; A CREDIT UNION AS DEFINED BY THE BANKING LAW OR A FEDERAL CREDIT UNION LOCATED AND AUTHORIZED TO DO BUSINESS IN NEW YORK WHICH HAS ITS PRINCIPAL OFFICE IN A LOCATION DESCRIBED IN PARAGRAPH (A) OF SUBDIVISION THIRTY-EIGHT OF SECTION FOUR HUNDRED FIFTY-FOUR OF THE BANKING LAW, OR A BRANCH OFFICE IN A LOCATION DESCRIBED IN PARAGRAPH (B) OF SUBDIVISION THIRTY-EIGHT OF SECTION FOUR HUNDRED FIFTY-FOUR OF THE BANKING LAW; OR A SAVINGS BANK AS DEFINED BY THE BANKING LAW, A SAVINGS AND LOAN ASSOCIATION AS DEFINED BY THE BANKING LAW OR A FEDERAL SAVINGS ASSOCIATION LOCATED AND AUTHORIZED TO DO BUSINESS IN NEW YORK WHICH HAS ITS PRINCIPAL OFFICE IN A LOCATION DESCRIBED IN PARAGRAPH (A) OF SUBDIVISION TWO OF SECTION TWO HUNDRED THIRTY-SEVEN OF THE BANKING LAW, OR A BRANCH OFFICE IN A LOCATION DESCRIBED IN PARAGRAPH (B) OF SUBDIVISION TWO OF SECTION TWO HUNDRED THIRTY-SEVEN OF THE BANKING LAW.

S 2. Section 454 of the banking law is amended by adding a new subdivision 38 to read as follows:

38. (A) TO ACCEPT DEPOSITS FOR CREDIT TO A LOCAL GOVERNMENT, AS DEFINED IN PARAGRAPH A OF SUBDIVISION ONE OF SECTION TEN OF THE GENERAL

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

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MUNICIPAL LAW, AT ITS PRINCIPAL OFFICE WHERE SUCH CREDIT UNION MAINTAINS ITS PRINCIPAL OFFICE WITHIN THE JURISDICTION OF SUCH LOCAL GOVERNMENT.

(B) TO ACCEPT DEPOSITS FOR CREDIT TO A LOCAL GOVERNMENT, AS DEFINED IN PARAGRAPH A OF SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW, AT ITS BRANCH OFFICE WHERE SUCH CREDIT UNION MAINTAINS A BRANCH OFFICE WITHIN THE JURISDICTION OF SUCH LOCAL GOVERNMENT.

S 3. The banking law is amended by adding a new section 454-a to read as follows:

S 454-A. DEPOSITS OF PUBLIC MONEY WITH CREDIT UNIONS; SECURITY. A CREDIT UNION MAY ACCEPT DEPOSITS OF PUBLIC MONEY SUBJECT TO THE LIMITATIONS PROVIDED IN SUBDIVISION THIRTY-EIGHT OF SECTION FOUR HUNDRED FIFTY-FOUR OF THIS ARTICLE. SUCH CREDIT UNION SHALL PLEDGE ASSETS OR FURNISH OTHER SECURITY SATISFACTORY IN FORM AND AMOUNT TO THE DEPOSITOR, FOR THE REPAYMENT OF MONIES HELD IN THE NAME OF SUCH DEPOSITOR, WHEN REQUIRED TO BE SECURED BY APPLICABLE LAW, DECREE OR REGULATION.

S 4. Subdivision 2 of section 237 of the banking law, as amended by chapter 360 of the laws of 1984, is amended to read as follows:

2. [No savings bank shall accept any deposit for credit to any municipal corporation.] (A) A SAVINGS BANK WHICH MAINTAINS ITS PRINCIPAL OFFICE WITHIN THE JURISDICTION OF A LOCAL GOVERNMENT, AS DEFINED IN PARAGRAPH A OF SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW, MAY ACCEPT DEPOSITS AT SUCH PRINCIPAL OFFICE FOR CREDIT TO SUCH LOCAL GOVERNMENT.

(B) A SAVINGS BANK WHICH MAINTAINS A BRANCH OFFICE WITHIN THE JURISDICTION OF A LOCAL GOVERNMENT, AS DEFINED IN PARAGRAPH A OF SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW, MAY ACCEPT DEPOSITS AT SUCH BRANCH OFFICE FOR CREDIT TO SUCH LOCAL GOVERNMENT.

S 5. Section 234 of the banking law is amended by adding a new subdivision 27 to read as follows:

27. PURSUANT TO SUBDIVISION TWO OF SECTION TWO HUNDRED THIRTY-SEVEN OF THIS ARTICLE, TO PLEDGE ASSETS OR FURNISH OTHER SECURITY SATISFACTORY IN FORM AND AMOUNT TO THE DEPOSITOR, FOR THE REPAYMENT OF MONIES HELD IN THE NAME OF SUCH DEPOSITOR, WHEN REQUIRED TO BE SECURED BY APPLICABLE LAW, DECREE OR REGULATION AND TO EXERCISE THE POWERS CONTAINED IN SECTION NINETY-SIX-B OF THIS CHAPTER.

S 6. Section 383 of the banking law is amended by adding a new subdivision 18 to read as follows:

18. PURSUANT TO SUBDIVISION TWO OF SECTION TWO HUNDRED THIRTY-SEVEN OF THIS CHAPTER, TO PLEDGE ASSETS OR FURNISH OTHER SECURITY SATISFACTORY IN FORM AND AMOUNT TO THE DEPOSITOR, FOR THE REPAYMENT OF MONIES HELD IN THE NAME OF SUCH DEPOSITOR, WHEN REQUIRED TO BE SECURED BY APPLICABLE LAW, DECREE OR REGULATION AND TO EXERCISE THE POWERS CONTAINED IN SECTION NINETY-SIX-B OF THIS CHAPTER.

S 7. This act shall take effect on the ninetieth day after it shall have become a law.