STATE OF NEW YORK

2420

2017-2018 Regular Sessions

IN SENATE

January 13, 2017

Introduced by Sen. GRIFFO -- 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 deposits of state and municipal funding in banking institutions

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 12-b to read as follows:

§ 12-b. State and municipal funds deposited in state chartered banking institutions. Notwithstanding any provision of the state finance law, the local finance law or this chapter to the contrary, a state chartered banking institution which holds state funds or the funds of any political subdivision thereof may accept and pledge investment grade corporate bonds, to the extent authorized by the federal reserve bank, as collateral for any discount window borrowing of such funds. Furthermore municipal bonds having five or more years of maturity may be pledged to secure such deposits.

§ 2. This act shall take effect on the first of January next succeeding the date on which 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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